THE EFFECT OF REWARD AND PUNISHMENT ON THE WORK DISCIPLINE OF PT BATARA INDAH'S EMPLOYEES

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Abstract

This study aims to determine whether there is an influence between reward and punishment on the work discipline of PT Batara Indah employees. This quantitative research uses a survey method with a descriptive approach. The population in this study amounted to 292 employees and the sample in this study was 169 employees. The respondent selection technique uses proportional random sampling, which is using the proportional random method. For data management, the researcher processed the questionnaire using a Likert scale. The variables of Work Discipline (Y), Reward (X1), and Punishment (X2) are data. The data analysis technique used was the first measurement of the outer model consisting of individual reliability with results greater than 0.7 (> 0.7). Build reliability with results greater than 0.7 (> 0.7). The composite reliability value is greater than 0.6 (> 0.6). The AVE value is greater than 0.5 (>0.5). The measurement of the two outer models consists of r2 with a value of 0.523. Then, f squared Reward (X1) with a value of 0.255, and Punishmnet (X2) with a value of 0.244. While the VIF value is smaller than (<5.00) so that there is no multicollinearity problem. Reward (X1) is 1.707 and t statistic is $2.187 > 1.46$ with p-value $0.029 < 0.05$. Punishment (X2) is 1.707 and the t statistic is $2.004 > 1.46$ with a p-value of 0.018.

Keywords: Reward, Punisment and Work Discipline.

INTRODUCTION

Developed company will focus on human resources to carry out its functions so that it is necessary to organize employees' abilities at work, employee behavior, and employee work discipline. Increased employee work discipline is expected to improve employee performance. The company has rules that must be obeyed by every employee, including employee work discipline.

Regarding employee work discipline, the fact is that not all companies have high work discipline, both private and government companies, quoted in Liputan6.com (2019), "The Secretary of the Personnel Advisory Board examined 23 cases of civil servant discipline, most of

which were involved in disciplinary violations in the form of not coming to work" and Antaranews.com (2010) "Discipline problems are problems that have never been resolved. The problem of employee discipline is a serious problem. This needs to be a concern for the company because if low work discipline continues to occur, the company will experience delays in the company's success in achieving company targets, because undisciplined employees such as employee absence allow tasks given to employees not to be done at the time needed.

Table 1 PT Batara Indah Attendance Data for June-December 2020

Month	Information					
	Late	Permission	Alpha	Sick	TOTAL	PERCENTAGE
June	55	27	1	102	130	9%
July	46	37	57	156	250	19%
August	58	23	16	104	143	10%
September	56	35	14	159	208	16%
October	58	22	18	130	170	12%
November	62	35	41	192	268	21%
December	44	25	13	101	183	13%

Based on the table above, it can be seen that the absence rate of PT Batara Indah varies from June to December 2020. Seeing the many variations of high and low each month PT Batara Indah in the absence rate during 2020. So in reality the lowest absentee rate is June, while the The highest absenteeism was in November and in other months the number went up and down, although there was a decline but there was an increase again, therefore there is still a problem with absenteeism at PT Batara Indah. The average number of absences at PT Batara Indah reached 20%. This shows that there is an indication of undisciplined employees in working at the company and is shown by not achieving the expected attendance rate of 100% by the company.

Another factor that has the highest score from the previous research is that punishment affects employee work discipline, how the company provides punishment for those who do not follow company rules. The company has hopes for employees who believe that the punishment given can be a lesson for the employee so as not to make a second mistake.

But the fact is that the punishment at PT Batara Indah is low, this can be seen from interviews with previous employees, where employees stated that employees were given less punishment when doing work indiscipline such as being late for work, absenteeism with alpha information, and not being responsible for the assigned tasks. To increase employee awareness and action not to repeat employee mistakes, the company can give punishment to employees who make mistakes, the company must care about employee work discipline when they make mistakes, the company is quick to respond to the punishment that will be given to the employee. Companies can provide

Rewards and Punishments because they have an important role in an era that has experienced rapid progress in technology and the business world so as to produce work discipline for employees who are active, responsive, and able to do a good job.

Based on the results of the pre-research that the researcher has done, the researcher is interested in conducting research with the title: "The Effect of Reward and Punishment on Work Discipline".

LITERATURE REVIEW

Work Discipline

Work discipline can be influenced by morale, job satisfaction, the level of compensation provided and can encourage work passion and still uphold the rules owned by the company. This should be embedded in every employee because it relates to their responsibilities towards their duties and obligations. According to Siahaan, R (2020) "Employee discipline is an important part of the entire process of paid employees and as a basis for leadership considerations in making decisions regarding issues of salary determination, wages, incentives, or other remuneration".

"Work discipline is a tool used by managers to communicate with employees so that they are willing to change a behavior as well as an effort to increase awareness and willingness of a person to comply with all company rules and social norms applicable" (Thaief et al., 2015). In the sense that work discipline is free, it is a tool used by managers to communicate with employees so that they are willing to change behavior as well as an effort to increase one's awareness and willingness to comply with all company regulations and applicable social norms. According to Moekijat (2020) "Work discipline is a power that develops in the voluntary self-regulation of decisions, regulations, work values and behavior".

"High work discipline is needed by an agency in order to achieve predetermined goals." (Alexander Sampleiling, 2015). The need for work discipline is needed in achieving a company goal. Based on the expert opinion above, it can be concluded that work discipline is an important part of the entire process as an effort to increase one's awareness and willingness voluntarily to company decisions in order to achieve goals both written and unwritten with applicable social norms so that it will have an impact on improving not only for company but also for employees.

Reward

A good reward is a system that can guarantee employee satisfaction to obtain, retain and employ a number of people with various positive attitudes and behaviors for the common good. "Reward is something that is given to a person or group if they can perform an advantage in a particular field." according to Padmayuda Tri Rachmawan (2020). Meanwhile, according to Purnama (Nompo et al., 2020) Reward is a form of recognition for a certain achievement given in material and non-material forms given by the organization or institution to individuals or groups of

employees so that they can work with high motivation and achievement. in achieving organizational goals. It can be concluded that the reward is a form of appreciation in an organization in achieving its goals. According to Al Fadjar Anshori and Meithiana Indrasari (2018) "Reward is a form of appreciation for the achievements that have been achieved by someone or a form of motivation for what he has done."

"Reward is a form of appreciation for efforts to obtain professional workers in accordance with the demands of the position, which requires an effort to organize, plan, use, and maintain manpower in order to be able to carry out tasks effectively and efficiently." according to Handoko (2018). Meanwhile, according to Maha Putri and Nur Evi Damayanti (2020) "Reward is as a reward or bonus given because of one's accomplishments. In a free sense, reward is a gift or bonus given because of someone's achievements. Based on the opinions of some of the experts mentioned above, it can be concluded that reward is a positive result of something given as a form of acknowledgment of the achievements that have been achieved by someone with the demands of the position given.

Punishment

Punishment is simply a process that weakens or suppresses behavior so that a behavior followed by punishment tends to weaken. Punishment is defined as the act of presenting unpleasant or unwanted consequences as a result of doing certain behaviors (Areros & Sambul, 2020). In addition, punishment is an unpleasant act in the form of punishment or sanctions given to employees consciously when a violation occurs so as not to repeat it (Widyanti & Sari, 2014). Punishment is an act of reprimand against a violation committed in order to improve and maintain the applicable regulations (Tangkuman et al., 2015). According to Fahmi (Hartaroe et al., 2016) "Punishment is "sanctions received by an employee because of his inability to do or carry out work as instructed." According to Syah Riza Octavy Sandy (2017) "Punishment is a punishment given due to a violation of the applicable rules." Based on some of the expert opinions above, it can be concluded that punishment is an act of reprimand by presenting unpleasant consequences in the form of sanctions that are received and given for violations.

## RESEARCH METHOD

Research Place And Time

This research was conducted on employees of PT Batara Indah and this research starts in December 2020 - August 2021. This time is the right time and is considered because it is an effective time for researchers to conduct research.

Data Analysis Technique

The data analysis technique that will be carried out to test this research uses the Partial Least Square (PLS) method. The model used in this study is a causal model or relationship and influence which is also known as path analysis.

Constellation of Relationships between Variables

Based on the hypothesis, that there is a significant influence between Reward (X1) and Punishment (X2) on Work Discipline (Y), the constellation of the Effects of X1 and X2 on Y can be described as follows:
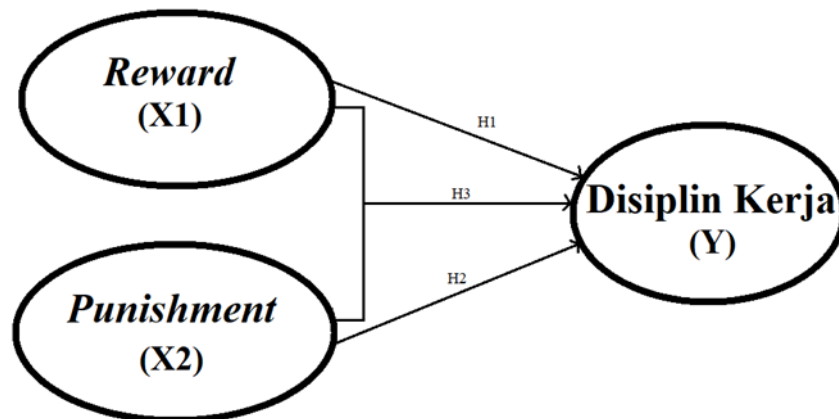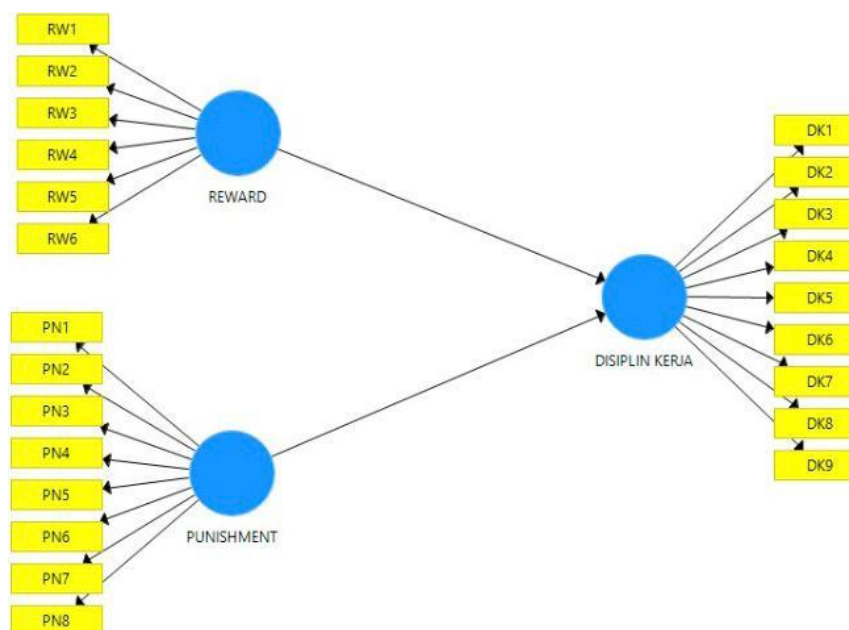

Picture 1 *Constellation of Relationships between Variables*

RESULT AND DISCUSSION

Measurement Model (Outer Model)

Outer model analysis is used to find out how the relationship between latent variables and each indicator.

Picture 2 *Research Final Model*

To determine the level of indicator validity for each construct, it can also be known through Cronbach's alpha value. If the value of Cronbach's alpha > 0.6 then the construct is declared valid. The following is the result of calculating Cronbach's alpha value:

Table 2 PT Batara Indah Attendance Data for June-December 2020

	Cronbach's Alpha
WORK DISCIPLINE	0,941
PUNISHMENT	0,934
REWARD	0,898

Source: Data Processed By Researchers

Table 2 explains that the value of Cronbach's alpha for the entrepreneurship education variable is 0.940, the internal locus of control is 0.949 and the interest in entrepreneurship is 0.941. Cronbach's alpha value for all variables > 0.6, so it can be concluded that the overall construct of the variables used in this study is declared valid.

Determine the indicator's reliability value, it can be measured through the value of Average Variant Extracted (AVE) and Composite Reliability. The AVE value will show the variance value obtained by each variable. The AVE value test criteria are . 0.5, but the higher the AVE value, the better and the stronger the diversity of indicators. As for the Composite Reliability test value is > 0.7. The higher the Composite Reliability value, the greater the reliability value of a variable.

Table 3 Average Variance Extracted (AVE)

	Composite Reliability	Average Variance Extracted (AVE)
WORK DISCIPLE	0,950	0,681
PUNISHMENT	0,943	0,675
REWARD	0,920	0,659

Source: Data Processed By Researchers

Table 3 that the Composite Reliability value of the Reward variable is 0.920, the Punishment variable is 0.943 and the Work Discipline variable is 0.950. The Average Variance Extracted (AVE) value for the Reward variable is 0.659, the Punishment variable is 0.675 and for the Work Discipline variable is 0.681. All variables have an AVE value > 0.5 and a Composite Reliability value > 0.7, so it can be concluded that all variables are declared reliable in this study.

Inner Model Evaluation

Analysis of Variance (R2) or Determination Test, which is to determine the influence of the independent variable on the dependent variable by looking at the r-square value. The higher the r-square value, the better the prediction model of the proposed research model.

Table 4 R-Square *(R²)*

	R Square
WORK DISCIPLINE	0,523

Source: Data Processed By Researchers

Based on table 4 it can be seen that the R-Square (R2) value is $0.523 < 0.50$. It can be concluded that the effect of reward and punishment variables on work discipline is 52.3%, which is high/big. The f-square test aims to determine how big the relationship or relative influence of the independent latent construct to the dependent latent construct is.

Table 5 *f*-Square

	WORK DISCIPILINE	PUNISHMENT	REWARD
WORK DISCIPLINE			
PUNISHMENT	0,244		
REWARD	0,255		

Source: Data Processed By Researchers

Based on table 5 it can be seen that the relationship or influence between the reward variable construct and work discipline is $0.255 > 0.15$, it can be interpreted that the relationship or influence of the two variables is moderate. Furthermore, the relationship or influence between the variable construct of punishment and work discipline is $0.244 > 0.15$, or it can be interpreted that the relationship or influence between the two variables is moderate.

After testing the outer model and inner model analysis, the next step is to analyze the measurement results on the structural relationship or the relationship between constructs (hypothesis testing). In testing the hypothesis, it can be seen from the t-statistical value and probability value. To test the hypothesis by using statistical values, then for alpha 5% the t-statistic value.

Hypothesis Testing

Table 6 Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (|O/STDEV|)	P Values
PUNISHMENT -> DISIPLIN KERJA	0,266	0,239	0,156	2,004	**0,018**
REWARD -> DISIPLIN KERJA	0,296	0,279	0,136	2,187	**0,029**

Source: Data Processed By Researchers

H1: Reward has a positive and significant effect on Work Discipline

The first hypothesis aims to examine the effect of Reward having a positive and significant effect on Work Discipline. Based on the results of the Path Coefficient calculation in table 5.8., it

can be seen that the Original Sample value is 0.296, the T-Statistic is 2.187 > 1.96 and the P Values is 0.029 < 0.05. Thus, it can be concluded that the Reward variable has a positive and significant effect on Work Discipline.

H2: Punishment has a positive and significant effect on Work Discipline

The second hypothesis aims to examine the effect of Punishment having a positive and significant effect on Work Discipline. Based on the results of the Path Coefficient calculation in table 5.8, it can be seen that the Original Sample value is 0.266, the T-Statistic is 2.004 > 1.96 and the P Values is 0.018 < 0.05. Thus it can be concluded that the variable Punishment has a positive and significant effect on Work Discipline.

H3: Reward and Punishment has a positive and significant effect on Work Discipline

The third hypothesis aims to examine the effect of reward and punishment simultaneously on work discipline. If the value of F Count > F Table, then Reward and Punishment have an effect on Work Discipline. Vice versa, if the value of F Count < F Table, then Reward and Punishment has no effect on Work Discipline. Then the results obtained F Count of 12.254 > F Table 3.17 (which is obtained from the attached table). Therefore, it can be concluded that Reward and Punishment have a simultaneous effect on Work Discipline. Then H3 in this study is accepted.

CONCLUSION

Based on the data processing that has been done, the description of the data that has been described, as well as the analysis and discussion described in the previous chapter, it can be concluded that there is an effect of reward and punishment on work discipline at PT Batara Indah. Based on the results of the hypothesis, it can be concluded that:

1. The results of the first hypothesis test show that the reward variable has a positive effect on work discipline with the original sample value of 0.296 and t-statistic > 1.96, namely 2.187. Furthermore, based on p-values of 0.029 <0.05, the reward variable has a significant effect on work discipline. Therefore, it can be concluded that reward has a positive and significant effect on work discipline, so H1 in this study is accepted.

2. The results of the second hypothesis test show that the punishment variable has a positive effect on work discipline with the original sample value of 0.266 and t-statistic > 1.96, which is 2.004. Furthermore, based on the p-values of 0.018 <0.05, the punishment variable has a significant effect on work discipline. Therefore, it can be concluded that punishment has a positive and significant effect on work discipline, so H2 in this study is accepted.

3. The results of the third hypothesis test show that the reward and punishment variables have a positive effect on work discipline with a value of F Count > F Table, the results obtained are F Count of 12.254 > F Table 3.17, the reward and punishment variables have a significant

effect on work discipline. Therefore, it can be concluded that reward and punishment have a positive and significant effect on work discipline, so H3 in this study is accepted.

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