

Analysis of The Reward and Punishment System on Employee Performance at PT The Univenus

Sunarto Budiono^{1*}, Sopiah¹, Arief Noviarakhman Zagladi¹

^{1*}Universiti Negeri Malang, Malang, Indonesia



DOI: <https://doi.org/10.26740/jpeka.v10n1.p85-98>

Sections Info

Article history:

Submitted: November 11, 2024

Final Revised: April 30, 2026

Accepted: May 01, 2026

Published: May 02, 2026

Keywords:

Reward

Punishment

Employee performance

Motivation

ABSTRACT

Objective: This study aims to analyse the effect of implementing a reward and punishment system on employee performance at PT The Univenus. **Method:** The research utilised a quantitative approach with a survey method. The research sample consisted of employees of PT The Univenus selected using purposive sampling. Data were collected through questionnaires, which were then analysed using SEM-PLS with the aid of software. **Results:** Research results indicate that the reward and punishment system has a significant impact on employee performance. The reward variable is positively correlated with increased motivation and work productivity, while punishment serves as an effective behavioural control mechanism. However, the study also identifies that the effectiveness of the system highly depends on proportionate and fair implementation. **Novelty:** The novelty of this research lies in the integration of reward and punishment system analysis on employee performance in the context of the tissue paper manufacturing industry, which not only tests direct effects but also captures the dynamics of the relationships between variables more predictively.

INTRODUCTION

In an increasingly competitive business world, companies are required to maintain and improve employee performance in order to achieve organizational goals effectively and efficiently (Lee, 2009). A management system that can optimise employee potential becomes an important aspect in this achievement, as employees are one of the main assets in organisational success. One of the approaches widely used to enhance employee performance is the reward and punishment system. According to Ding et al., (2025) and Viswanathan & Kayande, (2012), the relationship between a leader's behaviour in giving rewards and punishments and the attitudes, perceptions, and behaviour of subordinates has a significant impact on organisational performance.

The reward and punishment system is believed to be an effective instrument in motivating employees to achieve targets set by the company (Mousavi et al., 2020), while also encouraging improvements in their productivity and work quality. According to Elfina et al., (2023), the implementation of reward and punishment as a moderating variable can influence work motivation and discipline, which ultimately impacts employee performance. This is also supported by Yernandes & Yunita, (2023), who indicate that a reward and punishment system effectively implemented can motivate employees to achieve work targets.

The reward system aims to provide appreciation to employees for good work achievements, which can directly enhance motivation and job satisfaction. Karami et al., (2013) and Samrat et al., (2025) emphasise that an effectively designed reward management system can improve employee performance through the mediating role of work motivation. Rewards can take the form of financial incentives such as bonuses,

salaries and allowances, or non-financial incentives such as recognition for achievements, opportunities for personal development, or promotion prospects. Studies by Subramoniam, (2020) also show that rewards play an important role in creating a sense of satisfaction and loyalty, which in turn influences the improvement of both individual and team performance overall. Through rewards, companies can provide recognition commensurate with employees' contributions, thereby fostering a conducive and productive work culture. Cai et al., (2022) add that performance-based reward allocation can have a significant incentive effect, motivating employees to perform better.

On the other hand, the punishment system plays an important role in maintaining employee work discipline. Punishment is applied to employees who violate rules or fail to meet established standards, as an effort to correct behaviour and maintain work quality consistently. Punishment can contribute to improving work discipline, which plays an important role in shaping a professional and results-oriented work environment (Alimudin et al., 2020; Pihlamägi, 2015). Punishment can take the form of reprimands, delays in promotion, or even termination of employment in cases of serious violations. This is further reinforced by research from Akpoviroro et al., (2018), which also found that the fair and consistent application of punishment increases employee commitment to the company's goals. However, the implementation of punishment must be conducted wisely and fairly to avoid negative effects that could reduce employee motivation and job satisfaction (Abdel-Rahim & Liu, 2024; Pane et al., 2023). A proper combination of reward and punishment can create a balance that supports optimal employee performance, as employees feel appreciated when performing well and guided to improve when making mistakes.

In addition, research on the reward and punishment system's impact on employee performance shows inconsistencies in research findings that are interesting to explore further. Layek & Koodamara, (2024) and Tremblay et al., (2013) found empirical evidence supporting that the implementation of reward and punishment methods has a significant positive effect on employee performance. Their research results indicate that this system is effective in increasing motivation, encouraging productivity, and creating control mechanisms that can drive employees to achieve organisational goals. Motivation theory, which defines motivation as the willingness to exert high effort to achieve organisational objectives, also supports the argument that reward and punishment can be a strategic instrument in human resource management (van Eerde, 2015).

However, on the other hand, expectation-based reward systems are not always effective in reducing issues such as employee tardiness. This finding highlights the complexity of implementing reward and punishment systems, which cannot be simplified as a universal solution. Work discipline that intrinsic motivation and employees' willingness to adhere to organisational norms are far more important than merely providing external rewards or punishments (Cho & Perry, 2012; Sumarjiansyah et al., 2025). Therefore, what becomes interesting to explore is how reward and punishment systems can be designed proportionally and fairly so they genuinely have a positive impact on employee performance, rather than merely serving as a repressive punishment mechanism.

This study was conducted to examine the influence of the reward and punishment system on employee performance at PT The Univenus, a major manufacturing company in the tissue paper industry. As one of the leading tissue paper producers in Indonesia, PT The Univenus faces the challenge of continuously improving productivity and work efficiency amid increasingly intense industry competition. In the context of a manufacturing industry that demands high performance, the implementation of a reward and punishment system is important for the company to maintain competitiveness and production quality. Pratidhina et al., (2022) highlighted that providing appropriate rewards can enhance work motivation and productivity of employees in manufacturing companies, while Septiana & Adinata, (2022) stated that an expectation-based reward system can be effective in reducing tardiness and improving discipline. Furthermore, Somashekar, (2023) also emphasised that developing a varied reward system can significantly improve performance, especially if tailored to individual employees' preferences.

RESEARCH METHOD

This research uses a quantitative approach aimed at obtaining objective and measurable data regarding the relationship between reward, punishment, and employee performance. The quantitative approach allows researchers to collect data in numerical form, which is then analysed statistically, making the results more reliable and verifiable. A causal design is used in this study to identify the extent to which reward and punishment affect employee performance.

The data analysis from this research uses Partial Least Squares-based Structural Equation Modeling (SEM-PLS) because it is more suitable for analysing complex relationships between latent variables with a relatively small sample size. Compared to CB-SEM, PLS-SEM is more flexible regarding data distribution assumptions and is prediction-oriented, thus capable of producing more stable model estimates under the conditions of this research data.

By using a causal design, this study can illustrate the direct effects of reward and punishment on the increase or decrease of employee performance. This approach allows researchers not only to find relationships between variables but also to understand the direction and strength of each variable's influence on performance. A more comprehensive approach is described by Francis et al., (2020), who indicate that a reward system designed with holistic consideration of employee characteristics can enhance performance by encouraging both intrinsic and extrinsic motivation.

In managing rewards, Shields et al., (2020) recommend using evaluation methods that include assessments of individual and group performance so that rewards and punishments can be more effectively tailored to work outcomes. In addition, Septiana & Adinata, (2022) highlight the importance of considering the impact of rewards and punishments on work discipline in research methods, with a quantitative approach that can measure the direct relationship between the two. Okocha et al., (2022) also support the use of quantitative analysis methods to assess the effectiveness of reward systems as a strategy to improve organisational performance through reward-based management.

Primary data in this study were collected using questionnaires distributed to employees of PT The Univenus. The questionnaire was designed to gather direct information from employees regarding their views on the reward and punishment system implemented by the company. By using questionnaires, the researcher can obtain data that is relevant and aligned with the research objectives, namely to understand employees' experiences and perceptions directly. The data collected includes employees' perceptions of the effectiveness and fairness of the reward and punishment system, as well as how the system affects their motivation and performance. This information is crucial for analysing whether the company's policies regarding rewards and sanctions meet employees' expectations and whether the system can effectively promote significant performance improvement.

According to Akpoviro et al., (2018), questionnaires are an effective tool in obtaining employees' perspectives on reward systems, which can significantly affect work performance. Cai et al., (2022) also emphasised that surveys or questionnaires help measure the subjective effects of reward and punishment allocation on employee motivation, while research by Somashekar, (2023) shows that structured questionnaires can more accurately explore the impact of rewards on performance, providing direct insights into the effectiveness of a reward management system in an organisation.

The population in this study includes all employees of PT The Univenus, who are the primary subjects in understanding the effectiveness of the reward and punishment system implemented by the company. By considering all employees as the population, this study achieves a comprehensive scope in evaluating the impact of company policies on overall performance. This population encompasses employees from various divisions and levels of position, allowing the research results to reflect diverse perspectives and represent the entire organisation. Pramesti et al., (2019) highlight the importance of considering all employees in the research population to obtain representative results. Furthermore, Emmanuel & Nwuzor, (2021) emphasise that variation within the population, both in terms of divisions and levels of position, enriches the understanding of employees' perceptions regarding the reward and punishment system implemented by the organisation.

The research sample consisted of 50 employees selected using the random sampling method, where each employee had an equal chance of being chosen as a respondent. This technique was chosen to minimise bias in respondent selection, ensuring that the data obtained would be more objective and representative. Random sampling is important in quantitative research as it reduces the risk of selecting respondents who only represent certain groups or divisions, which could result in data that poorly represents the population.

With the established sample size, this study is expected to provide a sufficient overview of employees' perceptions of the reward and punishment system at PT The Univenus. This sample size was chosen based on considerations to obtain adequate data while remaining within the research's capacity. The results from these randomly selected respondents are expected to provide valid insights into how the company's policies on rewards and sanctions affect employee motivation and performance in their work environment. Wibowo et al., (2022) emphasise the importance of a representative sample size to understand the impact of reward and punishment policies on work discipline.

The results from these randomly selected respondents are expected to provide valid insights into how company policies regarding rewards and punishments affect employee

motivation and performance in their work environment Irawan & Sugiono, (2022). This is also in line with research by Pramesti et al., (2019), which emphasises that by selecting a sample covering various divisions and job levels, the study can reflect diverse perspectives on the effectiveness of the reward and punishment policies implemented by the company.

Operational definition is a detailed explanation of how each variable is measured in the research, so that it can produce relevant and accurate data according to the research objectives. In the context of this study, the main variables to be measured are reward, punishment, and employee performance. This operational definition helps clarify how each of these variables will be understood, measured, and analysed in order to assess their influence on improving employee performance at PT The Univenus. Reward is a form of appreciation given to employees for performance achievements or positive contributions that meet company standards (Dosenovic, 2016). In this study, reward is measured in two forms, namely financial and non-financial: Financial Reward: Material compensation, such as (1) Salary, (2) Bonus, (3) Allowances, and (4) Incentives.

Cai et al., (2022) highlighted how the allocation of rewards, including subjective financial bonuses, can positively influence employee behaviour and impact their performance. Somashekar, (2023) also demonstrated in his research that financial rewards, such as monetary incentives, as well as non-financial rewards, such as recognition and praise, are equally important in motivating employee performance at KPR Cars PVT LTD. This is further reinforced by the study from Asnur & Yeni, (2021) which also supports these findings, where financial rewards, such as bonuses, and non-financial rewards, such as appreciation, were proven to enhance employee performance at Daima Hotel Padang.

Financial rewards will be measured based on the frequency and amount received by employees according to their work performance. Non-financial rewards include recognition, promotion, and opportunities for self-development provided by the company to high-performing employees. The measurement of non-financial rewards is carried out by evaluating employees' perceptions of the rewards or appreciation given in forms other than financial. Thus, rewards are measured based on financial and non-financial indicators to assess their impact on employee motivation and job satisfaction. Emmanuel & Nwuzor, (2021) indicate that financial rewards, such as salaries and bonuses, as well as non-financial rewards, such as awards and recognition, play a significant role in enhancing employees' positive perceptions of the organisation.

Pramesti et al., (2019) added that an effective reward system, both financial and non-financial, can enhance employee motivation and performance in the workplace. Furthermore, Irawan & Sugiono, (2022) developed an ANFIS-based decision support system to assess reward levels, which can help companies measure and determine appropriate rewards for operators and foremen. Punishment or sanction is a corrective action imposed by a company on employees who violate rules or fail to meet performance standards. Punishment is measured in several categories: (1) Verbal or Written Warning: A light sanction given for minor violations, such as being late for work or not following certain instructions. Measurement is done by observing the frequency and type of warnings received. (2) Delay in Promotion or Salary Increase: A sanction in the form of career obstruction or delay in salary increase as a consequence of serious violations. This delay is measured by the duration of the delay and its impact on employee motivation.

(3) Termination of Employment (PHK): A severe sanction for serious or repeated violations. This punishment is measured based on the frequency of incidents and employees' perceptions of the company's termination policy. Cai et al., (2022) explain that the proper and subjective allocation of punishment can have a significant effect in guiding employees to comply with organisational policies. Elfina et al., (2023) add that moderately applied punishment can influence employee work discipline, thereby affecting overall performance. This is supported by Hanadelansa, (2023), who states that an effective combination of rewards and punishment can drive improvements in employee performance.

Through these indicators, punishment is measured by considering the level of violations and the type of sanctions applied, which are then analysed in relation to employee discipline and performance. Wardoyo et al., (2023) state that one of the important indicators in measuring punishment is the frequency and type of violations that occur, as well as how the punishment affects employee work behaviour. Furthermore, Septiana & Adinata, (2022) emphasise the importance of observing employees' reactions to the punishment received, which becomes a key indicator in determining the success of a punishment policy in an organisation.

Employee performance is the level of achievement of work results in accordance with company standards, which can be assessed from work quality, quantity, and efficiency (Hambardzumyan, 2016; Zhubi et al., 2024). Employee performance measurement in this study includes: (1) Work Quality: The level of accuracy and precision of the work produced by employees. Quality is measured by indicators such as the number of errors or compliance with company quality standards. (2) Work Quantity: The volume of work completed within a certain period, for example the number of products produced or work targets achieved. Quantity is measured from employees' daily, weekly, or monthly productivity. (3) Work Efficiency: The ability of employees to complete work optimally with minimal time and cost. Efficiency is measured by the amount of time required to complete tasks compared to the standards set by the company.

The operational definition of employee performance refers to quality, quantity, and efficiency to assess the work achievements of employees and how these are influenced by the reward and punishment system. Yernandes & Yunita, (2023) state that the operational definition of employees refers to individuals who are the subjects of performance measurement within the context of reward and punishment at PT Bengkulu Magic Marketing. Elfina et al., (2023) add that the employees analysed are those directly involved in the work and influenced by motivation and work discipline factors related to reward and punishment. In addition, Novarini & Imbayani, (2019) also argue that by focusing on the influence of giving rewards and punishment, it is possible to measure how the effects of these two systems impact employee performance in the company by looking at work results as the main indicator.

RESULTS AND DISCUSSION

Results

This research method uses a quantitative approach with data analysis conducted using Structural Equation Modeling - Partial Least Square (SEM-PLS), a method widely recommended by experts for analysing relationships between variables in studies involving multiple factors. Primary data in this study was obtained through a Likert-

scale-based questionnaire distributed to 50 employees of PT The Univenus, selected using random sampling. This is because the population is considered homogeneous and each respondent has an equal chance of being chosen, thus reducing selection bias. This technique was chosen over purposive sampling, which is more suitable when the research requires specific criteria or subjective considerations in selecting samples. The following are descriptive statistics of the variables studied:

Table 1. Descriptive statistics of research variables

Variable	Mean	Standard deviation
Reward	4.12	0.78
Punishment	3.64	0.92
Employee Performance	4.08	0.84

Based on the table above, it can be seen that the average score for the reward variable is 4.12, which means the reward system implemented by the company is considered good. Meanwhile, the punishment variable has an average score of 3.64, which means the punishment system implemented by the company is considered fairly good. For the employee performance variable, the average score obtained is 4.08, indicating that the performance of PT The Univenus employees is generally considered good.

Based on the results of the study, it can also be seen that rewards have a significant positive effect on improving employee performance, while punishment also plays a role in enhancing discipline. Hanadelansa, (2023) states that effective rewards can increase employee motivation and loyalty, while punishment can encourage compliance with company rules. In addition, research by Okocha et al., (2022) shows that a good reward management system has a positive impact on employees' perception of fairness and job satisfaction.

The inferential analysis in this study used the Structural Equation Modeling - Partial Least Square (SEM-PLS) method to test the proposed hypotheses. SEM-PLS is an effective method for measuring complex relationships between latent variables and is suitable for research with a relatively small sample size. SEM-PLS allows researchers to test a theoretical model involving independent and dependent variables simultaneously, thereby providing a deeper understanding of the structure of relationships between variables in this study. In this study, SEM-PLS was used to test hypotheses related to the effect of reward and punishment systems on employee performance. The use of SEM-PLS is expected to provide valid and reliable results, which will later serve as a basis for drawing conclusions and making recommendations suitable for the context of PT The Univenus.

Outer Model

The results of the validity and reliability tests of the research instrument (outer model test) can be seen in the following table:

Table 2. Descriptive statistics of research variables

Variable	Indicator	Loading factor	Cronbach
Reward	Salary	0.851	0.895
	Bonus	0.852	
	Allowance	0.789	
	Incentive	0.811	
	Recognition	0.845	
	Promotion	0.778	
	Self-development	0.835	
Punishment	Warning	0.892	0.901
	Delay in	0.914	
	Promotion/salary		
	Termination of employment	0.867	
Employee Performance	Work Quality	0.840	0.889
	Work Quantity	0.855	
	Work Efficiency	0.882	

According to Hair et al., (2019), in Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis, the validity and reliability of research instruments are absolute prerequisites to ensure the quality of the research. The validity criterion is marked by a loading factor above 0.7, indicating that each indicator contributes significantly to measuring the research construct. The loading factor is the correlation between the item/indicator score and the construct score, where a value above 0.7 indicates that the indicator can effectively explain the construct's variance.

Meanwhile, Chin, (1998) in the PLS-SEM methodology asserts that construct reliability can be measured through two main criteria: Cronbach's Alpha and Composite Reliability. Values above 0.7 for both parameters indicate that the research instrument is consistent and reliable in measuring the variables studied. Cronbach's Alpha measures the internal consistency between items, while Composite Reliability assesses how accurately the research instrument measures its latent constructs. Thus, the outer model test not only examines statistical validity but also ensures that the research instrument meets strict methodological standards.

Inner Model

The results of the inner model test can be seen in the following table 3.

Table 3. Structural model test results

Variable	R-square	Q-square
Employee Performance	0.475	0.362

The inner model test shows that the model has an R-square value for employee performance of 0.475, which means the reward and punishment variables can explain 47.5% of the variation in employee performance. The Q-square value of 0.362 also indicates that the model has good predictive relevance.

Hypothesis Results

The results of hypothesis testing using the SEM-PLS method can be seen in the following table 4.

Table 4. Hypothesis results

Hypothesis	Path coefficient	T statistics	P-value
Reward -> Employee Performance	0.546	5.789	<0.001
Punishment ->Employee Performance	- 0.321	3.185	<0.01

The results of the first hypothesis test indicate that the reward system has a positive and significant effect on employee performance at PT The Univenus. The path coefficient value of 0.546 with a p-value of less than 0.001 indicates that the better the reward system implemented, the more it will enhance employee performance. Meanwhile, the second hypothesis test shows that the punishment system has a significant effect on employee performance at PT The Univenus. The path coefficient value of -0.321 with a p-value of less than 0.01 indicates that the better the punishment system implemented, the more it will decrease employee performance.

Discussion

The results of the first hypothesis test show a positive and significant effect of the reward system on employee performance with a path coefficient of 0.546 (p-value < 0.001). This finding is supported by the research of Pane et al., (2023), which revealed that the implementation of an effective reward method significantly contributes to improving employee performance. They found that a comprehensive reward system, including both financial and non-financial compensation, can sustainably drive employee motivation and productivity. A well-designed reward system can enhance job satisfaction and employee loyalty, which in turn positively impacts performance. They emphasised the importance of aligning the reward system with employee expectations and needs to maximise its effectiveness. Furthermore, Cai et al., (2022), in their study on the incentive effects of subjective reward and penalty allocation, found that a transparent and fair reward system has a more positive impact on performance compared to a system with unclear criteria. These findings support the research results at PT The Univenus, which show that a good and structured reward system contributes positively to employee performance improvement.

The results of the second hypothesis test show that punishment has a significant negative effect on employee performance with a path coefficient of -0.321 (p-value < 0.01). Wardoyo et al., (2023) in their research found that the effect of punishment on employee performance is complex and can vary depending on the context and method of implementation. They emphasised that disproportionate punishment can lower motivation and create an uncondusive work environment. Novarini & Imbayani, (2019) revealed that although punishment is necessary to enforce discipline, its implementation must be carried out carefully and consider the psychological aspects of employees. Their research shows that overly harsh or unfair punishment can significantly reduce employee morale and productivity.

Wibowo et al., (2022) in their study on the influence of reward and punishment on work discipline found that punishment should be used as a last resort after positive approaches fail. They recommend using a punishment system that focuses more on coaching and development rather than mere penalisation, to ensure that behavioural improvement objectives can be achieved without compromising overall employee performance. Based on these research findings, suggest that organisations need to develop a comprehensive reward system as a moderator between work motivation and employee performance Sutikno, (2019). They emphasise the importance of aligning the reward system with organisational goals and employee expectations to create a sustainable positive impact.

Asnur & Yeni, (2021) in their study highlighted the importance of balancing reward and punishment in employee performance management. They found that the right combination of both systems can create a work environment that encourages productivity while maintaining discipline. Yernandes & Yunita, (2023) added that the implementation of reward and punishment systems should take into account the unique characteristics of the organisation and the existing work culture. They recommended periodic evaluations of the effectiveness of both systems to ensure their relevance to organisational needs and employee expectations.

CONCLUSION

Fundamental Finding: Rewards and punishments have been proven to positively affect employee performance, both directly and indirectly. In addition, a consistent punishment system can encourage employees to achieve more and increase their commitment to PT The Univenus. However, the better the punishment system applied, such as verbal/written warnings, delaying promotions/salary increases, and termination of employment, the more likely it is to decrease employee performance. **Implication:** Overall, this study shows that the implementation of a balanced reward and punishment system is an effective strategy to enhance employee performance. This proves that companies that apply a transparent and consistent reward and penalty management system will be more successful in creating a productive work environment and maintaining employee loyalty. The mitigation that can be carried out is to shift the orientation of punishment from a punitive approach to corrective feedback based on performance evaluation, so that the organisation's focus is not on penalties, but on measurable and sustainable improvement of work behaviour. **Limitation:** The main limitation of this study is the use of a single sample (PT The Univenus) with a small size and a cross-sectional design that is unable to capture the dynamic effects of punishment on performance causally. **Future Research:** Further research should use longitudinal data and mediation/moderation models to test the mechanisms of performance decline more precisely.

REFERENCES

- Abdel-Rahim, H., & Liu, J. (2024). An experimental study on the effect of penalties on employers' trust and employees' reciprocity and the moderating effect of communication. *Journal of Applied Accounting Research*, 25(3), 500-523. <https://doi.org/10.1108/JAAR-05-2022-0122>
- Akpoviroro, K. S., Akanmu, P. M., Olalekan, A., & Alhaji, S. A. (2018). *Moderating* <https://journal.unesa.ac.id/index.php/jpeka> 35922 - 94

Influence Of Organizational Reward System On Employee's Performance.

- Alimudin, A., Sukoco, A., Prebawa, A. A., Dhaniarti, I., & Hartono, Z. Z. Z. (2020). Strategy model to build employee discipline. *Proceedings of the International Conference on Industrial Engineering and Operations Management*, 0(March), 1969–1977. <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85088928960&partnerID=40&md5=9d25310b3268ad4b6c1d0258eca5a4a6>
- Asnur, L., & Yeni, D. (2021). The Effect of Rewards and Punishment on Employee Performance at Daima Hotel Padang. *Proceedings of the 1st International Conference on Education, Humanities, Health and Agriculture, ICEHHA 2021, 3-4 June 2021, Ruteng, Flores, Indonesia.*
- Cai, W., Gallani, S., & Shin, J.-E. (2022). Incentive Effects of Subjective Allocations of Rewards and Penalties. *Manag. Sci.*, 69, 3121–3139.
- Chin W, M. G. (1998). *The Partial Least Squares Approach to Structural Formula Modeling*. Lawrence Erlbaum Associates.
- Cho, Y. J., & Perry, J. L. (2012). Intrinsic Motivation and Employee Attitudes: Role of Managerial Trustworthiness, Goal Directedness, and Extrinsic Reward Expectancy. *Review of Public Personnel Administration*, 32(4), 382–406. <https://doi.org/10.1177/0734371X11421495>
- Ding, J., Yu, X., & Yuan, Y. (2025). Leaders' contingent punishment behavior influences subordinates' ingratiation behavior based on the perception of power. *Social Behavior and Personality*, 53(2). <https://doi.org/10.2224/sbp.13717>
- Dosenovic, D. (2016). Employee Reward Systems in Organizations. *ECONOMICS - Innovative and Economics Research Journal*, 4(1), 107–118. <https://doi.org/10.1515/eoik-2015-0024>
- Elfina, R., Siregar, B. A., Suma, D., Alhempri, R. R., & Putri, R. L. (2023). The Effect Of Work Motivation And Work Discipline On Employee Performance With Reward And Punishment As Moderation Variables (CASE STUDY : PT SALIM IVOMAS PRATAMA KOTA PEKANBARU). *Jurnal Apresiasi Ekonomi*. <https://itskhatulistiwa.ac.id/ojsapresiasiekonomi/index.php/apresiasiekonomi/article/view/705>
- Emmanuel, N., & Nwuzor, J. (2021). Employee and Organisational Performance: Employees Perception of Intrinsic and Extrinsic Rewards System. *Applied Journal of Economics, Management and Social Sciences*.
- Francis, F., Zirra, C. T. O., & Charles, J. M. I. (2020). Reward System as a Strategy to Enhance Employees Performance in an Organization. *American Book Review*, 8, 156–164.

- Hair, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2019). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM) (2nd ed.)*. Sage Publications.
- Hambardzumyan, K. (2016). Performance and talent: Pros and cons of performance assessments. In *Handbook of Human Resources Management* (pp. 453–455). Springer Berlin Heidelberg. https://doi.org/10.1007/978-3-662-44152-7_131
- Hanadelansa, H. (2023). The Impact of Giving Rewards and Punishment on Increasing Employee Performance. *Advances in Human Resource Management Research*.
- Irawan, S. M., & Sugiono, J. P. (2022). Decision Support System For Employee Performance Assessment To Determine The Status Of Reward Level Operator And Foreman Using Adaptive Neuro Fuzzy Inference System (Anfis). *Jurnal Informatika Upgris*.
- Karami, A., Dolatabadi, H. R., & Rajaeepour, S. (2013). Analyzing the Effectiveness of Reward Management System on Employee Performance through the Mediating Role of Employee Motivation Case Study: Isfahan Regional Electric Company. *The International Journal of Academic Research in Business and Social Sciences*, 3, 327–338.
- Layek, D., & Koodamara, N. K. (2024). Impact of contingent rewards and punishments on employee performance: the interplay of employee engagement. *F1000Research*, 13. <https://doi.org/10.12688/f1000research.144019.2>
- Lee, J. S. Y. (2009). Performance management: Concept and practice. In *Professional Practices of Human Resource Management in Hong Kong: Linking HRM to Organizational Success* (pp. 87–98). Hong Kong University Press, HKU. <https://www.scopus.com/inward/record.uri?eid=2-s2.0-84898392644&partnerID=40&md5=b1a5e1a5627cb7c2da150fcf91358b4b>
- M.P, B. ., & Somashekar, M. P. (2023). A Study on Reward System on Employee Performance (With Special Reference to KPR Cars PVT LTD Volkswagen Mysore). *Interdisciplinary Journal and Hummanity (INJURITY)*.
- Mousavi, S. M., Yazdanirad, S., Shabgard, Z., Moradirad, R., & Nezhad, B. B. (2020). The effect of the safety interventions based on behavior using the development of a safety education system and reward - Punishment procedure on reducing unsafe behaviors. *Iran Occupational Health*, 17(1). <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85104354100&partnerID=40&md5=898606bdc957f0a5d192b064304a361e>
- Novarini, N., & Imbayani, I. G. A. (2019). Effect Of Reward And Punishment On Performance Of Employees In The Royal Of Tunjung Bali Hotel \& SPA. *Journal of International Conference Proceedings*.
- Okocha, P. O., Emeyazia, G. C., & Osakwe, C. N. (2022). Appraising employee <https://journal.unesa.ac.id/index.php/jpeka> 35922 - 96

- performance through a reward management system in the organisation. *Journal of Global Social Sciences*. <https://doi.org/10.31039/jgss.v3i11.75>
- Pane, I. M. B. T., Fitriano, A., Tarigan, T. M. B., Ginting, S. P. B., & Tahir, M. (2023). The Effect of the Implementation of Reward, Incentive, and Punishment Methods on Employee Performance at PT. Anugerah Alam Berastagi. *Journal of Research in Business, Economics, and Education*.
- Pihlamägi, M. (2015). Implementation of discipline in estonian factories in the second half of the 19th century and at the beginning of the 20th century. *Acta Historica Tallinnensia*, 21(1), 3–22. <https://doi.org/10.3176/hist.2015.1.01>
- Pramesti, R. A., Sambul, S. A. P., & Rumawas, W. (2019). Pengaruh Reward Dan Punishment Terhadap Kinerja Karyawan KFC Artha Gading. *JURNAL ADMINISTRASI BISNIS*, 9. <https://doi.org/10.35797/jab.9.1.2019.23557.57-63>
- Pratidhina, P. H., Satriawan, B., Andriana, A., & Suryaningsih, M. (2022). The Effect of Rewards and Work Discipline on Employee Performances. *Almana: Jurnal Manajemen Dan Bisnis*.
- Samrat, B., Dash, M., Tewatia, N., Shukla, N., & Suri, S. (2025). Investigating the effects of motivation and rewards on employee productivity and organizational success. *Multidisciplinary Science Journal*, 7. <https://doi.org/10.31893/multiscience.2025ss0221>
- Septiana, R. I., & Adinata, U. W. S. (2022). Employee Work Discipline: The Effect of Reward and Punishment. *Jurnal Ekonomi, Bisnis & Entrepreneurship*.
- Shields, J., Rooney, J., Brown, M., & Kaine, S. (2020). *Managing Employee Performance and Reward*.
- Subramoniam, S. (2020). Redesigning Rewards for Improved Fairness Perception and Loyalty. *Vision*, 24(4), 481–495. <https://doi.org/10.1177/0972262920946142>
- Sumarjiansyah, N. A., Peristiowati, Y., Sumarji, S., & Setyawan, W. H. (2025). Examining the effects of employee loyalty, work discipline, and intrinsic motivation on employee performance: A case study of Puskesmas in Nganjuk Regency, Indonesia. *International Journal of Advanced and Applied Sciences*, 12(7), 47–54. <https://doi.org/10.21833/ijaas.2025.07.005>
- Sutikno, A. E. (2019). Expectation Based Reward System For Reducing Employees' Tardiness. *Jurnal Administrasi Kesehatan Indonesia*.
- Tremblay, M., Vandenberghe, C., & Doucet, O. (2013). Relationships Between Leader-Contingent and Non-contingent Reward and Punishment Behaviors and Subordinates' Perceptions of Justice and Satisfaction, and Evaluation of the Moderating Influence of Trust Propensity, Pay Level, and Role Ambiguity. *Journal* <https://journal.unesa.ac.id/index.php/jpeka> 35922 - 97

Analysis of The Reward and Punishment System on Employee Performance at PT The Univenus

of *Business and Psychology*, 28(2), 233–249. <https://doi.org/10.1007/s10869-012-9275-4>

van Eerde, W. (2015). Motivation and Reward Systems. In *Wiley Encyclopedia of Management* (pp. 1–4). wiley. <https://doi.org/10.1002/9781118785317.weom060146>

Viswanathan, M., & Kayande, U. (2012). Commentary on “ Common Method Bias in Marketing: Causes, Mechanisms, and Procedural Remedies.” In *Journal of Retailing* (Vol. 88, Issue 4). <https://doi.org/10.1016/j.jretai.2012.10.002>

Wardoyo, M. K. A. P., SWPJ, W. D., & Shinta, S. (2023). Effects Of Discipline, Punishment And Reward On Employee Performance At PT Petrokimia Gresik. *Jurnal Javanica*.

Wibowo, S. N., Solahudin, A., Haryanto, B. E., & Widawati, Y. (2022). The Effect of Reward and Punishment on Work Discipline. *Research Trend in Technology and Management*.

Yernandes, R., & Yunita, M. (2023). The Effect Of Reward And Punishment On The Performance of Employees of PT. Bengkulu Magic Marketing. *Journal of Indonesian Management (JIM)*.

Zhubi, M., Zhubi, D., Kovaçi, I., & Tahiri, A. (2024). Human Resource Management And Performance Evaluation In Hotels In Kosovo. *Quality - Access to Success*, 25(199), 50–56. <https://doi.org/10.47750/QAS/25.199.06>

***Sunarto Budiono (Corresponding Author)**

Department of Management, Management Study Program, Faculty of Economics and Business,
Universitas Negeri Malang,
Address: Jl. Semarang 5 Malang, Jawa Timur, Indonesia
Email: sunarto.budiono.2404138@students.um.ac.id

Sopiah

Department of Management, Management Study Program, Faculty of Economics and Business,
Universitas Negeri Malang,
Address: Jl. Semarang 5 Malang, Jawa Timur, Indonesia,
Email: sopiah.fe@um.ac.id

Arief Noviarakhman Zagladi

Department of Management, Management Study Program, Faculty of Economics and Business,
Universitas Negeri Malang,
Address: Jl. Semarang 5 Malang, Jawa Timur, Indonesia,
Email: arief.zagladi.fe@um.ac.id
