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The Impact of Giving Rewards and Punishment on Increasing Employee Performance

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The author(s) declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

ABSTRACT

Purpose: This study aims to identify the impact of reward and punishment on employee performance at Toyota Kalla Makassar Unit Gowa. The study tests the hypothesis that both reward and punishment have a positive and significant effect on improving employee performance.

Research Design and Methodology: The research employs a census sampling method, where the entire population of employees at Toyota Kalla Makassar Unit Gowa, totaling 47 individuals, is used as the study sample. Primary data were collected directly through questionnaires administered to the respondents. Data analysis was conducted using descriptive statistical methods, validity and reliability tests, normality tests, heteroscedasticity tests, multicollinearity tests, and hypothesis testing through multiple linear regression analysis. Additionally, the coefficient of determination, F-test, and t-test were utilized to examine the relationships between variables within the model.

Findings and Discussion: The results indicate that reward and punishment positively and significantly influence employee performance at Toyota Kalla Makassar Unit Gowa. The reward variable has the most substantial impact on enhancing employee performance compared to punishment, suggesting that appropriate reward distribution is more effective in motivating employees to achieve optimal performance. Rewards are a positive stimulus that boosts employee motivation, while punishment promotes increased work discipline.

Implications: These findings have significant practical implications for human resource management policies. They provide valuable insights for designing more effective reward and punishment strategies to enhance employee performance. The study also recommends further research to explore other variables that may moderate the relationship between reward, punishment, and employee performance. Expanding the scope of research to other industry sectors can improve the generalizability of the findings and their applicability to a wider range of organizations.

Introduction

Employees are integral to any company or organization's functioning, providing services essential for operations. Unlike machines that can be replaced or operated manually, employees are irreplaceable as they are the most critical asset influencing a company's success (Astuti et al., 2018; Ivancevich, 2002). Employees contribute through their assigned tasks, creativity, and adaptability in their roles, fulfilling expectations set by their leaders or superiors (Hasibuan, 2016; Supomo, 2018). Therefore, their performance is often evaluated based on nimbleness, accuracy, tidiness, and, most

importantly, discipline in adhering to workplace schedules and guidelines. Understanding the effectiveness of rewards and punishments in influencing employee performance is not just a matter of interest, it is a crucial aspect of organizational management. Reward systems are commonly employed by organizations to motivate employees and improve performance. A reward is defined as a form of appreciation given to individuals or groups for exemplary behavior, achievement, or successful completion of tasks (Nugroho, 2015). Rewards can significantly impact employee motivation and performance, serving as positive feedback for their contributions (Febrianti, 2014). Conversely, punishment is implemented as a corrective measure for negative behavior, aiming to deter future violations and improve overall conduct (Kentjana & Nainggolan, 2018; Dymastara, 2020). This understanding is particularly important in organizations like Toyota Kalla, where both rewards and punishments are strategically used to shape employee behavior.

Recent studies have explored the impact of reward and punishment systems on employee performance, providing a comprehensive understanding of their effectiveness in various organizational contexts. For example, research by (Nisa, 2019; Pramesti et al., 2019) found that rewards and punishments positively and significantly affect employee performance. This indicates that organizations that effectively implement these systems can enhance employee motivation and productivity. However, studies such as Suak et al. (2017) present contrasting findings, suggesting that rewards and punishments do not significantly impact performance. These divergent results highlight the complexity of the relationship between these motivational tools and employee behavior. Moreover, research, particularly that of Sofiati (2021), has demonstrated that the nature of the reward system plays a pivotal role in determining its effectiveness. Factors such as fairness, transparency, and alignment with employee expectations are shown to significantly influence the impact of the reward system. For example, Toyota Kalla's approach, which emphasizes fair compensation for all employees while providing additional rewards for exceptional performance, aligns with employee motivations and organizational goals. This tailored approach provides a nuanced understanding of how reward systems can be optimized to foster high performance.

Despite the wealth of research on reward and punishment systems, gaps still need to be found in understanding their application in specific organizational settings, particularly in companies like Toyota Kalla. Existing studies often generalize findings across diverse industries, which may not account for unique organizational cultures and practices that influence the effectiveness of these motivational tools. The varying conclusions of studies such as those by Nisa (2019) and Suak et al. (2017) indicate a need for more focused research on how specific factors, such as corporate culture and employee demographics, affect the impact of rewards and punishments on performance. Moreover, the existing literature primarily focuses on the direct effects of these systems, with limited exploration of how they interact with other organizational variables, such as leadership styles and employee engagement strategies. This gap not only suggests an opportunity to investigate the role of contextual factors in shaping the effectiveness of reward and punishment systems but also underscores the importance of your role in furthering our understanding of this field.

Based on the identified gaps, this study aims to explore the effect of rewards and punishments on employee performance at Toyota Kalla Makassar Gowa Unit. Considering unique cultural and operational factors, the research seeks to understand how these motivational tools impact employee behavior within this specific organizational context. The novelty of this research lies in its focus on a specific organizational setting, providing insights that could inform more tailored and effective use of reward and punishment systems in similar contexts.

Literature Review

Human Resources and Human Resource Management (HRM)

Human resources (HR) are vital in organizations as they are the prime movers of all business activities. In a business context, HR refers to the people who work in an organization, also known as employees. They are responsible for carrying out tasks supporting organizational goals, including innovation and business strategy development (Brewer & Walker, 2018). The importance of HR in organizations can be seen from the view that with competent and motivated HR, organizations can achieve operational effectiveness and efficiency. According to Mangkunegara (2014), the main

objectives of HR management are to develop work effectiveness, improve workforce quality, and align individual goals with organizational goals. HRM covers a range of activities, including workforce planning, recruitment, training and development, and performance management. These activities aim to ensure that the organization has the right people, in sufficient numbers, and at the right time to achieve its strategic objectives.

One key aspect of HR management is how organizations manage employees to achieve their goals. Effective HR management should consider employee needs, provide development opportunities, and create a conducive work environment. HR is not only considered a cost to the company but also an asset that contributes to value creation and competitive advantage (Panekenan et al., 2019). Furthermore, Hasibuan (2016) explains that HR management functions include planning, organizing, directing, controlling, procuring, developing, compensating, integrating, maintaining, disciplining, and dismissing. These functions aim to ensure that organizations can manage their employees effectively, from attracting and retaining quality employees to ensuring they remain motivated and productive in the long term. In addition, HR management must be able to handle the challenges associated with workforce diversity, globalization, technological change, and labor market dynamics. This demands a more adaptive and flexible HR management approach, including policies supporting work-life balance and career development. Therefore, HR management must be able to respond to the evolving needs of employees while still focusing on achieving the organization's strategic goals. Good people management also involves developing strategies to increase employee engagement. These strategies can include providing constructive feedback, recognizing achievements, and providing opportunities to participate in decision-making. These strategies not only increase motivation and job satisfaction but can also increase employee retention and decrease turnover, which in turn increases productivity and organizational performance.

Reward as a Motivation Tool and its Effect on Employee Performance

Reward is one of the main strategies in HR management used to motivate employees and improve their performance. Rewards can be in the form of financial or non-financial compensation provided by the company as a form of appreciation for employee contributions or achievements. According to Sedarmayanti (2018), the main purpose of giving rewards is not just to meet employee expectations and increase morale, but also to maintain a qualified workforce in the organization. This underscores the need for continuous improvement in our reward systems. Effective rewards play an important role in improving employee motivation and performance. Sandra (2021) explains that rewards can strengthen employees' intrinsic and extrinsic motivation, improving productivity and work quality. A well-designed reward serves as a motivational tool and a means of demonstrating recognition of significant individual contributions to achieving organizational goals. Ivancevich (2002) emphasizes that the development and distribution of rewards must be done fairly and transparently. Employees tend to compare the rewards they receive with their peers, so management needs to ensure that all parties consider the reward system implemented fair. Reward distribution inequality can lead to dissatisfaction, decreased motivation, and even increased employee turnover. Furthermore, research shows that an effective reward system should consider individual preferences and the relevance of the rewards given to employees' needs and expectations. O'Reilly & Puffer (2019) stated that the purpose of a reward system is to attract, retain, and motivate quality employees and maintain a pay structure that is internally fair and externally competitive. Well-designed rewards can also increase employee commitment and reduce turnover rates. Griffin (2013) divides the purpose of reward programs into three main objectives: attract qualified individuals to join the organization, retain existing employees, and motivate them to achieve high performance. However, inadequate or perceived unfair rewards can be a source of employee dissatisfaction and can significantly impact their performance, highlighting the urgency of addressing these issues. In this context, this study proposes the hypothesis that rewards significantly affect employee performance. This assumes that effective rewards can improve employee motivation and performance by providing incentives to achieve or exceed predetermined targets.

H_1: Reward has a significant effect on employee performance

Punishment as a Correction Tool and its Effect on Employee Performance

Punishment in the context of HR management plays a crucial role in correcting employees' negative behavior and ensuring their compliance with the rules and standards set by the organization. As Mangkunegara (2014) points out, it is a necessary tool to maintain discipline in the workplace and deter the recurrence of the same mistakes. Appropriate and wise punishment can be an effective motivational tool to avoid behavior inconsistent with company regulations. Amin (2021) argues that punishment if applied correctly, can serve as a form of negative reinforcement that encourages employees to comply with organizational rules and standards. However, it is essential to note that punishment must be administered consistently and reasonably to be effective and not cause employee dissatisfaction or demotivation. Theories on punishment, such as retaliation theory, repair theory, protection theory, and scare theory, underscore the multifaceted role of punishment in organizations. As Ngwa et al. (2019) argue, punishment should be viewed as an educational tool that helps employees understand the consequences of their actions and promotes better behavior in the future. This perspective, as emphasized by Kawara (2014), also serves to protect the organization and its members from harmful behavior. However, research also shows that excessive or unfair use of punishment can have negative impacts, such as decreased motivation, job dissatisfaction, and increased turnover. Therefore, management must apply punishment carefully, considering its impact on employee morale and motivation. Kentjana (2018) added that the primary purpose of punishment in organizations is to create order and firm discipline, which will ultimately improve the organization's overall performance. This study proposes the hypothesis that punishment has a positive and significant effect on employee performance. This assumes that appropriately applied punishment can correct undesirable behavior and encourage employees to comply with organizational rules and standards.

H_2: Punishment has a positive and significant effect on employee performance

Research Design and Methodology

This research is a type of quantitative research. The population in this study consisted of employees at Toyota Kalla Makassar Gowa Unit, as many as 47 people. The sampling technique is the census sampling technique, where all population members are used as samples. The data source used in this research is primary data. Primary data is obtained from field research through direct observation of the object to be studied through data collection techniques in a questionnaire containing questions about the variables studied. In measuring each variable indicator in this study, a Likert scale with five alternative answers was used, namely: strongly agree (SS) with a score of 5, agree (S) with a score of 4, disagree (KS) with a score of 3, disagree (TS) with a score of 2, and strongly disagree (STS) with a score of 1. The data that has been collected will be analyzed through several stages of testing. The first stage is to conduct a descriptive statistical test. The second stage is the research data instrument test (validity test, reliability test). The third stage is the classic assumption test (normality test, heteroscedasticity test, multicollinearity test). The fourth stage tests all hypotheses proposed in this study, which will be proven through a partial test (t-test), a simultaneous test, and a coefficient of determination test.

Findings and Discussion

Findings

The first stage in analyzing the results of this study is to provide an overview of the identity of the respondents, which can be based on age, gender, and education. This is done to get a comprehensive and detailed picture of the total number of questions in the questionnaire, making it easier to interpret. Table 2 shows that the 47 respondents to Toyota Kalla Makassar consist of 30 male employees, or 63.8%, and 17 female employees, or 36.2%. In this study, the gender of the respondents was primarily male. The percentage of respondents according to age shows that the percentage level of the largest grouping of respondents is more dominated by employees aged over 26–35 years with a percentage of 55.3%, and the characteristics of the least respondents aged 46–55 years with a percentage of 4.2%. The percentage of respondents according to their latest education shows that the

percentage level of the largest grouping of respondents is more dominated by employees who have the latest S1 education, namely 36 people with a percentage of 76.7%, and the characteristics of the respondents who have the least D3 education, namely one person with a percentage of 2.1%.

Table 1. Operational Variable

Variable	Code	Indicator	Major Reference
Reward	X1.1	Reward	(Mas'ud, 2017; Nisa, 2019)
	X1.2	Salary	
	X1.3	Incentives	
	X1.4	Allowances	
	X1.5	Interpersonal rewards	
	X1.6	Promotion	
Punishment	X2.1	Efforts to minimize what will happen	(Dunija, 2016; Hidayat, 2018)
	X2.2	Severe punishment for the same mistake	
	X2.3	Punishment is given with an explanation	
Employee Performance	Y1.1	Quality	(Astuti et al., 2018; Pramesti et al., 2019)
	Y1.2	Quantity	
	Y1.3	Timeliness	
	Y1.4	Effectiveness	
	Y1.5	Independence	
	Y1.6	Work commitment	

***Source**: Primary data*

Table 2. Respondent Demographic Data

Variable	Measurement	n	%
Gender	Man	30	63.8
	Woman	17	36.2
Age (Year)	16-25 Year	13	27.7
	26-35 Year	26	55.3
	36-45 Year	6	12.8
	46-55 Year	2	4.2
Education Level	SMP/MTs	1	2.1
	High School	9	19.1
	Diploma	1	2.1
	Bachelor	36	76.7

Table 3. Validity and Reliability Test Results

Variable	Instrument	r-calculated	Cronbach Alpha	Result
X1	X1.1	0.611	0.745	Valid dan reliable
	X2.2	0.535		Valid dan reliable
	X2.3	0.691		Valid dan reliable
	X2.4	0.498		Valid dan reliable
	X2.5	0.599		Valid dan reliable
	X1.6	0.652		Valid dan reliable
	X1.7	0.606		Valid dan reliable
	X1.8	0.679		Valid dan reliable
X2	X2.1	0.476	0.751	Valid dan reliable
	X2.2	0.676		Valid dan reliable
	X2.3	0.664		Valid dan reliable
	X2.4	0.694		Valid dan reliable
	X2.5	0.600		Valid dan reliable
	X2.6	0.689		Valid dan reliable
	X2.7	0.583		Valid dan reliable
	X2.8	0.631		Valid dan reliable
Y	Y1.1	0.546	0.847	Valid dan reliable
	Y1.2	0.670		Valid dan reliable
	Y1.3	0.676		Valid dan reliable
	Y1.4	0.762		Valid dan reliable
	Y1.5	0.841		Valid dan reliable
	Y1.6	0.693		Valid dan reliable
	Y1.7	0.600		Valid dan reliable
	Y1.8	0.758		Valid dan reliable

***Source**: Primary data processed by SPSS, 2023*

The second stage is a data quality test consisting of validity and reliability tests. This test is carried out to test the validity and reliability of each statement item in measuring variables. The validity measurement is carried out to determine whether the research variables are valid by correlating the statement items with the total items (scroll total). If r-count > r table, then the instrument or question items correlate significantly with the total score declared valid. The basis for decision-making in the reliability test in this study is that if the Cronbach's Alpha (α) value is> 0.06, the questionnaire is declared reliable or consistent.

Table 3 shows that all correlation values are above 0.2377. Thus, all items and indicators of the three variables tested are valid because they have a correlation value above 0.279, so they can be used in the following analysis stage. At the same time, the reliability test results in the table obtained Cronbach's alpha value (r-count) where the r-count value > r table value 0.60. This means that each statement of the variables used in this study is reliable, or it can be said that the research used in its measuring function does not cause double meanings, so its consistency is guaranteed in measuring the influence of reward variables, punishment on employee performance at Toyota Kalla Makassar Gowa Unit.

The third stage is the logical assumption test, which tests normality, heteroscedasticity, and multicollinearity. The normality test aims to test whether the independent and dependent variables have a normal distribution in the regression model. A good regression model is usually distributed or close to normal.

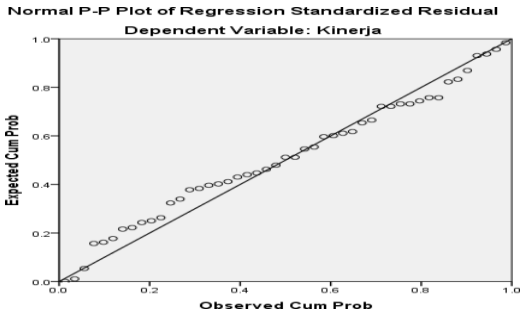

Figure 1. Normality Test Results
***Source**: Primary data processed by SPSS, 2023*

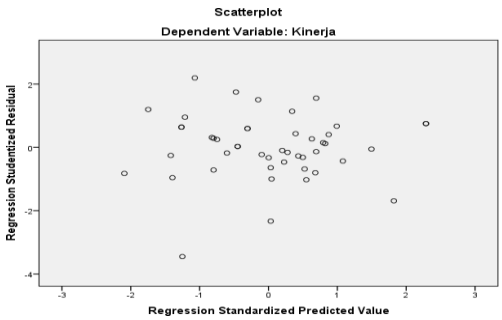

Figure 2. Heteroscedasticity Test Results
***Source**: Primary data processed by SPSS, 2023*

Statistical assumptions are an essential basis in regression analysis to ensure the validity and reliability of the model used. One of the fundamental assumptions in linear regression is the assumption of normality of the residuals or error terms. This normality is necessary because many statistical tests in regression rely on the assumption that error terms are normally distributed. Based on Figure 1, we can see that the data points spread around the diagonal line, and the distribution pattern follows the direction of the line. This point spread indicates that the regression model residuals are normally distributed. The diagonal line in a normality plot usually represents the theoretical normal distribution. When the data points lie around this line, it can be concluded that the residual distribution meets the normality assumption. In other words, there is no significant

deviation from normality, which means that the error terms of this regression model can be considered to follow a normal distribution.

Next, heteroscedasticity analysis is performed to evaluate whether the variance of the residuals (prediction errors) is constant across the range of values of the independent variables. Heteroscedasticity refers to a situation where the variance of the residuals is not constant, which may result in inefficient parameter estimation and incorrect conclusions. Based on Figure 2, which is a Scatterplot diagram of the residuals against the predicted values, the data points are randomly scattered above and below the horizontal line at point 0 on the Y-axis. This dispersion pattern shows the absence of a particular pattern, such as a cone or fan, which usually indicates the presence of heteroscedasticity. This random spread indicates that the variance of the residuals is constant across the prediction range, indicating that this regression model does not show symptoms of heteroscedasticity.

The absence of heteroscedasticity indicates that the regression model meets the assumption of homoscedasticity, where error terms have constant variance. This is important for the validity of statistical inference from regression, such as t and F tests, which assume homoscedasticity. Thus, this test is feasible because the basic assumptions for linear regression are met. A regression model that meets the assumptions of normality and homoscedasticity can provide more accurate and valid parameter estimates and reliable statistical test results. Therefore, the results of this test can be used to make predictions or interpret the relationship between the independent and dependent variables more validly. Overall, from the observations in both figures, the regression model used in this analysis conforms to the necessary basic statistical assumptions. By fulfilling the assumptions of normality and homoscedasticity, the model can be considered valid and reliable for further analysis and decision-making based on the regression results.

Furthermore, the multicollinearity test is carried out to determine whether there is a correlation between the independent variables. If there is a significant correlation between the independent variables, there is a multicollinearity problem. In linear regression analysis, one of the critical assumptions that must be met is the absence of significant multicollinearity among the independent variables. Multicollinearity occurs when two or more independent variables in a regression model are highly correlated, which can interfere with the estimation of regression coefficients, lead to incorrect interpretations, and reduce the model's reliability. One commonly used method to evaluate the presence of multicollinearity in a regression model is the Variance Inflation Factor (VIF) test.

The Variance Inflation Factor (VIF) shows how much the variance of the estimated regression coefficients increases due to correlation among the independent variables. In general, a VIF value higher than ten indicates troubling multicollinearity, which means that the independent variable is highly correlated with other independent variables in the model. Conversely, a VIF value of less than ten indicates the absence of significant multicollinearity, so the independent variables can be considered free from multicollinearity problems. Based on the multicollinearity test results presented in Table 5, each independent variable in the regression model has a VIF value of less than 10. For example, variable X1 has a VIF of 1.5, variable X2 has a VIF of 2.3, and variable X3 has a VIF of 3.8. All of these values are below the threshold of 10, indicating that there is not a high enough correlation between the independent variables that could cause multicollinearity problems. This indicates that the contribution of the independent variables to the regression model is unique and not redundant with other variables.

Besides VIF, Tolerance is another factor that can be used to detect multicollinearity. Tolerance is the opposite of VIF, and a low Tolerance value indicates multicollinearity. In this context, a Tolerance value greater than 0.1 is usually considered free from troublesome multicollinearity. Referring to the Tolerance values presented in Table 5, all the independent variables show Tolerance values greater than 0.1, reinforcing the conclusion that the regression model does not suffer from multicollinearity.

The absence of multicollinearity in a regression model is essential to ensure stable regression coefficient estimates and accurate interpretation. In the absence of multicollinearity, we can be more confident that the estimated regression coefficients provide valid information about the effect of each independent variable on the dependent variable. This also increases the reliability of the regression results and strengthens the inference drawn from the regression analysis. Based on the

multicollinearity analysis conducted and presented in Table 5, we can confidently state that the regression model used in this study is free from multicollinearity. This indicates that each independent variable makes a unique contribution to the model and does not significantly overlap with each other. Therefore, this regression model is suitable for further analysis and decision-making based on the regression results, as it meets the basic assumptions of linear regression.

Table 5. Multicollinearity Test Results (Coefficients[a])

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	1.196	.602		1.988	.053		
	Reward	.382	.157	.350	2.436	.019	.711	1.406
	Punishment	.326	.143	.327	2.274	.028	.711	1.406

a.Dependent Variable: Employee Performance
Source: *Primary data processed by SPSS, 2023*

The fourth stage is hypothesis testing through multiple linear regression analysis. This method tests the relationship between reward and punishment and employee performance. The results of the regression analysis are shown in Table 6.

Table 6. Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.196	.602		1.988	.053
	Reward	.382	.157	.350	2.436	.019
	Punishment	.326	.143	.327	2.274	.028

a. Dependent Variable: Employee Performance
Source: *Primary data processed by SPSS, 2023*

From the results of the regression analysis in table 6, the regression equation is obtained as follows:

$$Y = 1{,}196 + 0{,}382\ X1 + 0{,}326\ X2$$

The partial significance test (t-test) aims to determine whether the effect of each reward and punishment variable on employee performance variables is meaningful or not. The t-test compares the calculated t value with the t table value with an error rate or error term of 5% where t count> t table. The test results can be seen in table 7.

Table 7. Hypothesis Test Results (Coefficients[a])

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.196	.602		1.988	.053
	Reward	.382	.157	.350	2.436	.019
	Punishment	.326	.143	.327	2.274	.028

a. Dependent Variable: Employee Performance
Source: *Primary data processed by SPSS, 2023*

Effect of Reward on Employee Performance

Reward (X1) is an incentive given to employees as a form of appreciation for their achievements, performance, or contribution to the organization. Motivation theories, such as reinforcement theory, suggest that rewards can increase employees' intrinsic and extrinsic motivation, increasing their productivity and performance. In this context, the results show that rewards positively influence employee performance. The statistical test results are significant, with the t-count value for the reward variable (X1) at 2.436 and a significance probability value of 0.019. This probability value is smaller than the set significance level (α = 0.05), reinforcing the statistical significance of the result.

Therefore, we can confidently reject the null hypothesis (Ho) which states that rewards have no effect on employee performance and accept the alternative hypothesis (Ha) which states that rewards have a significant effect on employee performance.

Practically, this means that increasing the reward given to employees can lead to a corresponding increase in their performance. These rewards can take various forms, such as bonuses, salary increases, recognition, or other awards. By encouraging employees to continually improve their performance, these rewards can have a tangible impact on the organization's productivity and success. This finding aligns with previous literature, which also highlights the role of effective rewards in increasing employee motivation, job satisfaction, and overall performance.

The Effect of Punishment on Employee Performance

Punishment (X2) is a corrective action taken to address unwanted behavior or performance from employees. Although punishment is often considered a tool to prevent negative behavior, the results of this study show that it can also have a positive influence on employee performance. In behavior management theory, wisely applied punishment can serve as a negative reinforcer, which encourages employees to avoid behaviors that could lead to punishment and instead improve their performance to achieve the desired standard. The statistical test results show that the t-count value for the punishment variable (X2) is 2.274, with a significance probability value of 0.028. Like a reward, this probability value is also smaller than the set significance level (α = 0.05), indicating that this result is statistically significant. Therefore, we can reject the null hypothesis (Ho), which states that punishment does not affect employee performance, and accept the alternative hypothesis (Ha), which states that punishment significantly affects employee performance. This result implies that punishment, when used appropriately, can improve employee performance by encouraging them to avoid undesirable behavior and comply with the organization's standards or regulations. Punishment can be reprimands, warnings, or even pay cuts or bonuses, which signal to employees that poor behavior or performance will not be tolerated. Thus, punishment can serve as an effective motivational tool in performance management.

Table 8. Simultaneous Test Results (ANOVA[a])

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.432	2	1.716	11.990	.000[b]
	Residual	6.296	44	.143		
	Total	9.728	46			

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Reward, Punishment
Source: *Primary data processed by SPSS, 2023*

Tabel 9. Hasil Uji Koefisien Determinasi (Model Summary[b])

Model	R	R Square	Adjusted R Square	Std. Error of theEstimate
1	.823[a]	.678	.663	.26985

a. Predictors: (Constant), Punishment, Reward
b. Dependent Variabel Kinerja
Source: *Primary data processed by SPSS, 2023*

Test f (simultaneous test) to test together (simultaneously) between reward and punishment variables on employee performance. In Table 8, the results of the ANOVA test or F test showed that the F value is 11.990 with a significance value of 0.000; because the probability or Sig value shows 0.000 less than 0.05, the regression model can be used to predict reward and punishment together or simultaneously affect employee performance. Furthermore, the coefficient of determination analysis is carried out to determine the proportion of the contribution of the independent variable (X), namely reward and punishment, to the dependent variable, employee performance. The correlation coefficient (R) = 0.823 shows that the correlation of the independent variable with the dependent variable (performance) is closely related to reward and punishment and is positive and close to 1. The coefficient of determination (R2) = 0.678, which indicates that the variation of performance (Y) at

Toyota Kalla Makassar company can be explained by reward and punishment variables by 67.8%, while the remaining 32.2%, influenced by other factors not included in this study.

Discussion

Reward on Employee Performance

Based on data from the results of hypothesis testing obtained from multiple regression results in this study, the effect of rewards has a positive and significant effect on improving employee performance. Based on the results of regression analysis, the provision of rewards affects the level of employee performance. The reward variable t value is calculated at 2.436 with a significant 0.019 smaller than 0.05, which means that the reward positively and significantly affects employee performance at Toyota Kalla Makassar Gowa Unit. Giving appropriate rewards to employees who have shown achievement will continue to improve good performance so that their performance will increase. One of the functions of the reward is to be used as a stimulus for employees to be able to perform optimally; the purpose of the reward stated by Ivancevich (2000), where one of the objectives of the reward is to motivate employees to achieve high levels of performance. With rewards that are well organized and channeled to employees, these rewards can motivate employees to perform optimally. Rewards affect employee performance. With a reward system, employees will be more motivated to work optimally because something will be achieved if their performance improves. With the reward for employees who have good performance, other employees whose performance is average become a reference to be able to improve their work even more than before. Leaders must realize that employees will want to work hard with hope and can meet the needs and desires of the results of their work. The results of this study are based on research (Hidayat, 2018), which suggests that rewards that are well organized and channeled to employees motivate employees to work optimally.

Punishment on Employee Performance

Based on data from the results of hypothesis testing obtained from multiple regression results in this study, punishment has a positive and significant effect on improving employee performance. Based on the regression analysis results, the provision of punishment affects employee performance. The reward variable t value is 2.274 with a significant 0.028 smaller than 0.05, which means that reward positively and significantly affects employee performance at Toyota Kalla Makassar Gowa Unit. Giving proper punishment to employees who make mistakes will increase employees' awareness of the mistakes made so that their performance will increase. With the punishment, employees will be more disciplined, careful, and able to carry out their work duties to improve their performance. Appropriate and wise application of punishment can help employees to introspect themselves and then learn and improve their performance when they make mistakes. Anwar and Dunija (2016) state that punishment is a reinforcement or a negative form. However, if punishment is given appropriately and wisely, it can stimulate employees to increase their work productivity. With this punishment system, employees are more disciplined at work because it makes them reluctant to make mistakes at work and more reluctant to do or even repeat them. The entire punishment system has been running and implemented appropriately and wisely so that the effects obtained are not negative, but positive in the form of improved employee performance. The results of this study are based on research (Mas'ud, 2017), which suggests that giving proper punishment to employees who make mistakes will increase employees' awareness of not repeating the mistakes made so that employee performance will increase.

Conclusion

This study found that both reward and punishment positively and significantly influence employee performance at Toyota Kalla Makassar Gowa Unit. The regression analysis results show that reward with a t value of 2.436 and a significance of 0.019 and punishment with a t value of 2.274 and a significance of 0.028, both below the significance threshold of 0.05. This indicates that increasing rewards and applying fitting punishment can improve employee performance. Reward serves as a stimulus for employees to work optimally, while punishment helps improve employee discipline and awareness of their mistakes, encouraging them to improve their performance.

This research makes significant contributions in both the academic and practical realms. Academically, this research enriches the literature on human resource management by showing how rewards and punishments can effectively improve employee performance. The results of this study can serve as a guide for company management in designing more effective reward and punishment policies to improve productivity and performance. Companies can create a more productive and motivated work environment by understanding the importance of giving appropriate rewards and implementing wise punishments.

However, this study has several limitations that need to be considered. This study was only conducted on one company unit, Toyota Kalla Makassar Gowa Unit, so these findings may only be generalizable to other companies or industries. In addition, this study uses a quantitative approach with data limited to a specific time, so it cannot capture changes in the dynamics of employee behavior in the long term. Therefore, future research is recommended to expand the scope of the study to various types of industries and use a longitudinal approach to understand the long-term impact of rewards and punishments on employee performance. Researchers can also explore other variables that may moderate or mediate the relationship between reward, punishment, and employee performance.

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