THE EFFECT OF GIVING *REWARDS* AND *PUNISHMENTS* ON EMPLOYEE PERFORMANCE AT THE MEDAN CITY CAPITAL INVESTMENT AND ONE-DOOR INTEGRATED SERVICES DEPARTMENT

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ABSTRACT

his study aims to determine "The Influence of Providing Rewards and Punishments on Employee Performance at the Investment Service and One-Stop Services in Medan City." with a total sample of 57 people. This study uses primary data obtained by distributing questionnaires to employees who work at the Medan City Investment and One-Stop Services Office. Data analysis techniques used in this study were validity, reliability, classical assumption tests, multiple linear regression and hypothesis testing operated by SPSS ver 23 software. Partial testing of the effect of Rewards on Employee Performance obtained a t-count value of 3,243 > t- table 2,005 and has a significant value of 0.002 <0.04 it can be concluded that it has a positive and significant effect on employee performance. Based on the partial test results of the effect of Punishment on Employee Performance, the t-count value is 5,921 > t-table 2,005 and has a significant value of 0.000 <0.05. It can be concluded that Punishment has a positive and significant effect on Employee Performance. Based on the results of the F test count 56,161 > F table 3.17 and have a significant value of 0.000 <0.05 it can be concluded that simultaneously or together have a positive and significant effect on Reward and Punishment on Employee Performance at the Investment Service and One-Stop City Integrated Services Medan. The result of the coefficient of determination R2 is 0.663 or 66.3%, which means that employee performance is influenced by reward and punishment while the remaining 33.7% can be explained by other variables that were not examined in this study. So it can be concluded that Reward and Punishment have a positive influence or jointly on Employee Performance.

Keywords: Employee Performance Reward and Punishment

1.

Management of resources human are field special management learn relationship and human role in organization. Problem Role resources in company is very Because as the main force throughout activity or activity company in achieving goals, is good to be able to get profit nor for maintain survival the company . Matter this to management resources human power regulates energy Work that exists in in organization, so that organization 's realized and satisfaction .

service a everything something activity service which will be implemented by organizer service as a form efforts fulfill needs recipient service. Service public can in the form of permits in business that where organizer service should be able to give convenience requirements in administration licensing , the realization service fair, appropriate and transparent and give satisfaction to society is hope and goals for each institution institution from organizer public.

The government through Service Investment Capital and One Stop Service actually

have done a lot some innovations in management permits in with Regulation year 2021 about processing permits try that is safe and effective.

One the ways improve is with giving an award (*reward*) so that can motivate so that there more members employees improve again performance, by means of giving punishment (*punishment*) need to change habits and of so that can values discipline in an organization or company a n so that a performance employee will be better and increases, then service which they give to consumers will the more the better and increases. One policy for to develop and can maintain performance employee so that remains optimal is wrong the only one through reward and punishment.

Based on background behind above then writer is interested for to do research with Title: **Influence Giving *Reward* and *Punishment* Against Performance Employees in the Investment Capital and Integrated One Door City Medan .**

Limitation Problem

In order to scope the research , the the of the

1. Place research at Department Investment Capital and Integrated Service One Door City Medan.
2. The subject research was employees at Service and Integrated Service in City .
3. To time , author variables to *reward* the of at - Office Medan City

Formulation Problem

Based background the author several

1 Does provision *rewards* effect on performance employees at Investment and - City ?
2 Does *punishment* influence on the y performance employees at the Investment Service and the Integrated One City Medan ?
3 Does provision *rewards* simultaneous effect the employees at Investment - Service City ?

2. DESCRIPTION

Organization has various kinds resources as input to changed into output in the form products goods or services resources y include capital or money , technology to support processes methods or used to operate , and on . y Among various kinds resources y , or human resources (HR y most important . According Suak , al ( ) “ be in the form of or not in the form of which organization provides to employees either intentionally or not as reward for potential employee or contribution for work that well, and for employee yang applying positive values as satisfy certain ”

According to researcher Purwanto (2016:186 can that “ *punishment* (punishment) is a suffering that given or caused by intentionally by someone after happens something violation, crime or mistake.” He also stated that “ *punishment* is threat punishment which aims to improve

performance y employees , maintain applicable regulations y lesson to violators. ”

According Sedarmayanti 2013 :) performance is result work can *be* by or of in an organization accordance their effort achieve the organization without law in .

Framework Thinking

framework is model explains theory relates to factors been in particular . In this , we describe how the reward (X1 and punishment *)* on (as the . Based above describe framework thought *as* :

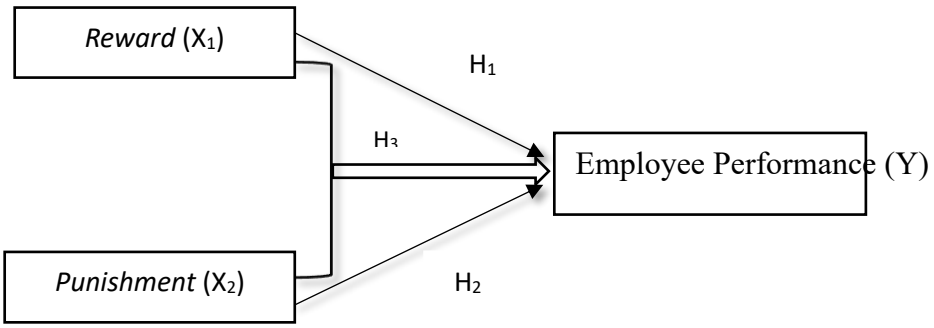


Figure 2.1 Framework of Thought

Description :

1. X 1 is independent variable namely connects variable *reward* influences on variable performance employee.
2. X 2 is the independent variable or variable y y y *y* y y y y .
3. X 1 and X 2 together the variable performance employees.
4. Y is dependent variable or variable (employee performance

3.

Location research was conducted on Service Investment Capital and Service Medan , whose address at . General AH Nasution No. 32 Fl. 2, Pangkalan Masyhur, District. Terrain Johor, Kota Medan, Sumatra North ,

As for population from research this is employee at Service Investment Capital and Service field which amounts to 132 employees ASN , so sample is group small (part) of population that taken and can represent population overall . Data from sample must be able to represent characteristics population. Dangan using the formula for Slovin is 57 people.

-test instrument Research

Test

validity test carried for knowing whether is an measuring instrument has perform function measure it.

Test

reliability test is used knowing consistency instrument ,

is a measuring tool used can be relied on and remains consistent if measurement the is repeated.

Classical Assumption Test

1. Test Normality
2. Multicollinearity Test
3. Heteroscedasticity Test

Analysis Regression Multiple

regression analysis , namely method analysis yang used for to know the influence of between two or more independent variable against variable . Where researcher will use analysis This is for to know how much influences between reward and punishment on performance . The equation multiple linear regression is :

$$\mathbf{Y = \alpha + b1X1 + b2X2 + e}$$

Description :

Y = Performance Employee

A = Constant

X_1 = *Reward*

X_2 = *Punishment*

b_1 = Coefficient Regression *Reward*

b_2 = Coefficient Regression *Punishment*

e = Standard error

Test - F (Simultaneous)

The F test aims to find independent variables together simultaneously) influence dependent variables .

Partial y y y

Testing coefficients of regression in partial aims find whether equation model regression is formed partially independent variables (X_1 and

L step - L step U ji – t :

$$t_{hit} = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

a Criteria Test value t calculate and t table If value $t_{hit} < t_{tab}$, then H_0 is accepted, H_1 is rejected

b If value $t_{hits} > t_{tab}$, then H_0 is rejected, H_1 is accepted Conclusion results tests significance.

Coefficient Determination (R^2)

According Ghozali : 97) , states coefficient determination ( ) tool measure far the explain variation dependent variable

1

or 1.

a If is the value of R^2 the closer is to 0 means ability variable *reward* , and *punishment* in explain the variation the variable employee performance getting .

b If is the value of R^2 the closer is to 1 means ability variable *reward* and *punishment* in explain the variation the variable employee performance getting .

With use the formula as as follows

$$Kd = R^2 x \ 100\ \%$$

Description :

Kd = Coefficient of Determination

R^2 = Coefficient

4.

Test

Table 4.1 Test Validity Variable Giving *Reward* (X1)

Statement	R count	R table	Information
1	0.592	0.260	Valid
2	0.713	0.260	Valid
3	0.779	0.260	Valid
4	0.696	0.260	Valid
5	0.616	0.260	Valid
6	0.669	0.260	Valid

Source: Data Output SPSS

From table 4.8 above can be that all items statement 1 until 6 has coefficient correlation that is greater than r_{table} = 0.260 so that all items statement for variable Giving *Reward* (X1) is said to be valid.

Table 4.2 Test Validity Variable *Punishment* (X2)

Statement	R count	R table	Information
1	0.595	0.260	Valid
2	0.587	0.260	Valid
3	0.554	0.260	Valid
4	0.746	0.260	Valid
5	0.664	0.260	Valid
6	0.625	0.260	Valid

Source: Data Output SPSS

From table 4.9 above can be that all items statement 1 until 6 has coefficient correlation that is greater than r_{table} = 0.260 so that all items statement for variable *Punishment* (X2) said be valid.

Table 4.3 Test Validity Variable Performance Employee (Y)

Statement	R count	R table	Information
1	0.680	0.260	Valid
2	0.587	0.260	Valid
3	0.779	0.260	Valid
4	0.478	0.260	Valid
5	0.643	0.260	Valid
6	0.645	0.260	Valid

Source: Data Output SPSS

From table 4.10 above can be that all items statement 1 until 6 has coefficient correlation that is greater than r_{table} = 0.260 so that is all items statement for variable Performance Employee (Y) is said to be valid (Munir et al., 2025) .

Test

value of the coefficient of reliability (Cronbach's Alpha) > 0.6 then instrument has Reliability which Good. Or with another word instrument reliable or trusted.

test

For to know not normal or is in in regression variables X1, X2, and Y there are three to its is distributed then used test normality. Test normality Kolmogrov-Smirnov Test, this test can be used for see on program SPSS with sig >0.05

Table Test y With Kolmogorov Smirnov

One-Sample Kolmogorov-Smirnov Test

		Unstandardized
N		57
Normal Parameters [a,b]	Mean	.0000000
	Std. Deviation	2.53469332
Most Extreme Differences	Absolute	.111
	Positive	.111

	Negative	-.107
Test Statistics		.111
Asymp. Sig. (2-tailed)		.078 [c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: Data Output SPSS

Based on the results of the normality test it can be seen that the value of sig is 0.078 > 0.05 so there is distributed normally y (Ristianah et al., 2024).

Multicollinearity test

Table 4.5 Test Multicollinearity

Coefficients [a]

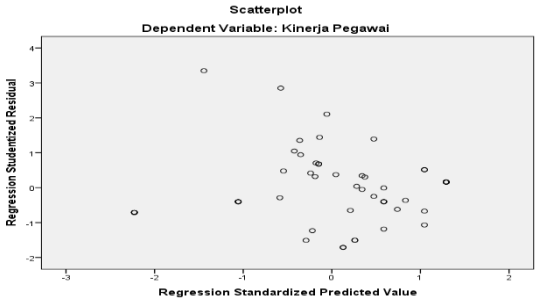
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3,863	2,020		1,912	.061		
Giving Reword	.298	.092	.320	3,243	.002	.617	1,620
Punishment	.559	.094	.584	5,921	.000	.617	1,620

a. Dependent Variable: Performance Employee

Source: Data Output SPSS

From table in above third variable independent namely X1 and X2 has value VIF in limits tolerance that has been determined (not exceeds 4 or 5), namely value VIF 1.620 so does not occur multicollinearity in independent variable research because way that used to assess is with looking at y value factor inflation variance (Variance inflation Factor /VIF) which no exceeds 4 or 5 (Munir et al., 2025).

Heteroscedasticity test



Source: Data Output SPSS

Figure

Figure shows points spread randomly , not form regular , and above below number on Thus , is heteroscedasticity pattern .

Regression

Table 4.6 Regression Linear Multiple

Coefficients [a]

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.

		B	Std. Error	Beta		
1	(Constant)	3,863	2,020		1,912	.061
	Giving Reword	.298	.092	.320	3,243	.002
	Punishment	.559	.094	.584	5,921	.000

a. Dependent Variable: Performance Employee

Source: Data Output SPSS

1. If Giving *Reward* and *Punishment* is assumed to be the same as with zero, then Performance Employee is worth 3,863
2. If Giving *Reward* is increased as big as one unit, then will followed by with increase Performance Employee 0.298 with assumption variable other does not experience change.
3. If *Punishment* is increased by one unit, then will be followed y in Performance y y y y y y y experience y .

Partial t test

The statistical test t is carried out test y y y X) individually has relationship y y y y y variable y (Ristianah et al., 2024) .

Table 4.8 t test

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3,863	2,020		1,912	.061
Giving Reword	.298	.092	.320	3,243	.002
Punishment	.559	.094	.584	5,921	.000

a. Dependent Variable: Performance Employee

Source: Data Output SPSS

1. Based on from the value of $t_{calculate}$ then obtained results tests $t_{calculate} > t_{table}$ namely 3.243 > 2.005 meaning H0 rejected and H1 accepted. So that can be concluded that a variable X1 (Giving *Reward)* influence on variable Y (Employee Performance .
2. Based on from the value of $t_{calculate}$ then obtained results tests $t_{calculate} > t_{table}$ namely 5.921 > 2.005 meaning H0 rejected and H1 accepted. So that It can concluded variable (*Punishment*) effect on variable Employee Performance .

Test F (Simultaneous)

The condition is, if value probability F (sig) on table Anova <α =0.05, then H0 is rejected , but if value probability sig > of 0.05 then H0 is accepted. Data yang is required for to test hypothesis above is as follows :

Table 4.9 Test F

ANOVA [a]

Model		Sum	df	Mean Square	F	Sig.
1	Regression	748,359	2	374,179	56,161	.000 [b]
	Residual	359,782	54	6,663		
	Total	1108.140	56			

a. Dependent Variable: Performance Employee
b. Predictors: (Constant), Punishment, Reward Reword

Source: Data Output SPSS

Based on results calculations above in get value F calculate : 56.161 > F table 3.17 at significant . The significant value is greater than smaller than from 0.05, then H a is accepted. So p this shows variable Giving *Reward* and *Punishment* respectively together positive influence and is significant towards Performance Employee in Department Investment Capital and Integrated One Door Service City Medan

Determination of (R 2)

Test determination this for see how big is Reward Punishment explains Performance Employees. For to know size determination. Reward and Punishment explain Performance Employees can see in the following table

Table 4.10 determination (R 2)

Model Summary

Model	R	Ry Square	Adjusted R Square	Std. Error of the Estimate
1	.822 [a]	.675	.663	2,581

a. Predictors: (Constant), Punishment, Reward Reword

Source: Data Output SPSS

From the results of the determination above can be obtained it is that exists influence of on the independent variable Giving Reward and Punishment towards Performance Employees with looking at column adjusted r square on table above has a value of 0.663 or is worth 66.3% meaning, that Giving *Reward* and *Punishment* to explain Performance in Department Investment Capital and Integrated Service One Door City Medan is equal to 66.3% and the remaining 33.7% is explained other variables that are not examined in .

DISCUSSION

The Influence Giving on

From results testing on test t test) Value $t_{calculate}$ variable Giving *Reward* value $t_{count} > t_{table}$ from variable this is 3.243>2.005 with value level sig 0.002 then can be that *Reward* a effect on Performance Employees in Department Investment Capital and Services Integrated One Door City Medan

research is line results of Raimond previous research Suak 2017 " Influence *Reward* and *Punishment* against Performance Employees Sutanraja Hotel Amurang".

Based on test hypothesis shows there is influence Which quite significant *reward* And *Punishment* against performance employees Sutanraja Hotel Amurang.

The Influence Punishment

From results testing on test t test) Value of t $_{calculate}$ variable Punishment value t $_{calculate}$ > t $_{table}$ of this variable is 5.921>2.005 with value level sig 0.000 then can be that Punishment a effect on Performance Employees in Department Investment Capital and Services Integrated One Door City Medan

The results research are line with with research Muslikhah Kusuma 2018 yang entitled "The Influence *Reward* and *Punishment* against Performance Employees Companies Startups Entra Indonesia". Results of research shows Reward and simultaneous effect performance employees companies .

The Influence Reward

From the result determination above that there is influence from variable free Reward and Punishment towards Performance Employees with looking at column adjusted r square on table above has a value of 0.663 or worth 66.3% means, that Reward and Punishment for to explain Performance Employees in Department Investment Capital and Services Integrated One Door City Medan is equal to 66.3% and is the remainder 33.7% is explained by other variables which have not researched in research This.

The results research are line with with the results of research Rizki Ayu 2019 yang entitled " The Influence of Reward and Punishment on Employee Performance on KFC Arth a Gading." *rewards* and *punishment* has influence positive which significant against performance . Besides also can be known together positive effect is significant y partial of variable reward and punishment against performance employee .

5. CONCLUSION

There is influence Giving Reward for Performance , shows the influence of which is positive and significant which means Reward gives influence on Performance . This influence indicated by value t $_{count}$ 3,243 > t $_{table}$ 2,005 at level significance 0.002.

There is influence Punishment against Performance Employee, indicates influence which is positive and is significant which means Punishment gives influence on Performance . The influence of on is indicated on by the value t $_{count}$ 5.921> t $_{table}$ 2.005 at level significance 0.000.

There is influence Giving Reward and Punishment show the influence which is positive or in a positive way together provide influence on Performance . Influence this in is shown by value F calculate 56.161 is than y table 3.17

The result of determination is that there is influence from independent variable Giving Reward and Punishment towards Performance Employees with looking at column adjusted r square on table above has a value of 0.663 or worth 66.3% means, that Giving *Reward* and *Punishment* to explain performance in Service Investment Capital and Service field is equal to 66.3%

and the remaining % explained other variables that are not examined in .

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