

The Influence of Implementing a Reward and Punishment System on Employee Work Motivation: A Case Study at PtTXYZ Smelter Mineral and Metal Company

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ABSTRACT

This study examines the influence of implementing a reward and punishment system on employee work motivation at PT XYZ, a mineral and metal smelter company located in South Halmahera Regency, North Maluku Province. The research uses a quantitative approach involving 255 respondents selected through stratified and systematic sampling from a population of 4,245 employees. Data were collected through questionnaires and analyzed using SPSS. The results indicate that both reward and punishment significantly affect work motivation, with reward showing a stronger statistical influence. Reward mechanisms such as performance bonuses and recognition enhance employee engagement, while punishment, applied proportionally through warnings or sanctions, helps maintain discipline. Regression analysis reveals that the combined implementation of reward and punishment explains 37.8% of the variance in work motivation. These findings support Herzberg's Two-Factor Theory, suggesting that reward acts as a primary motivator, while punishment serves as a hygienic factor to prevent dissatisfaction. This study highlights the strategic role of a balanced reward and punishment system in shaping productive employee behavior and offers practical insights for similar industrial organizations seeking to enhance workforce motivation and performance.

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INTRODUCTION

PT XYZ, which is involved in the management and refining of minerals and metals through its smelter facilities, faces challenges in managing employee motivation (Ali & Anwar, 2021; Octaviannand et al., 2017; Paais & Pattiruhu, 2020; Siswadi & Fahmi, 2023). Employees in the smelter sector are often exposed to harsh working conditions and have high risks that can affect their work motivation levels and job satisfaction. Therefore, the implementation of a reward and punishment system in PT XYZ's work environment is necessary to ensure that employees feel appreciated for their contributions and get clear consequences for behavior that is not in accordance with the company's standards (Baroto SP, 2023; Sabartiningsih et al., 2018; Wipra Pratistita & Syahuri, 2023; Wuryanto, 2023; Yuliana & Ummiya, 2023).

An effectively designed reward system can improve employee motivation and performance, while punishment is used to correct inappropriate behavior. The implementation of this award system must be carried out carefully and most importantly, adjusted to the characteristics and culture of the organization so that the system does not cause resistance and instead strengthens the internal balance of power (Dewa, 2021; Hidayat et al., 2024a, 2024b; Saputra & Hayaty, 2022; Wulandany et al., 2023). An approach that prioritizes open communication, fairness, and employee empowerment is a key factor in ensuring the successful implementation of the reward and punishment system in the context of modern organizations. Through the latest research on the effects of reward and punishment, it is hoped that we can understand more deeply how these two systems affect the work motivation of employees at PT XYZ. The Emotion-Based Balance Motivation Theory of Li & Zhou (2019) emphasizes the importance of managing emotions and perceptions of fairness to increase motivation, while the Authentic Motivation Theory of Brown & Sharf (2020) emphasizes that sustained motivation comes from the adjustment between personal values and organizational culture.

The provision of rewards at PT XYZ is a separate policy from the employment agreement where employees who receive a written warning will get a deduction from the reward in that year such as the provision of rewards at PT XYZ in 2024 where there are several employees who do not get rewards or reward deductions in accordance with the Decree issued by the management of PT XYZ.

The number of employees who did not make a cut on the bonus or got a full bonus was 4,245 people and 259 people who made a cut on the bonus which was divided into 3 categories, namely 50%, 70% and 100% cuts. Rewarding must be tailored to a person's rights and obligations. Given that the rewards given by a company, in addition to being measured through materials, are also influenced by interactions with fellow humans in an organizational environment which at a certain time will be stimulated by economic rewards. If the right is related to rewards as a stimulus that increases work motivation, then there needs to be punishment as a guarantee of reducing mistakes and decreasing work motivation.

According to B.F. Skinner, punishment is a form of negative consequences that is considered quite effective in dealing with behavior in the form of weakening or reducing behavior for future occurrences. Mangkunegaran (2017) explained that punishment has the purpose of revitalizing the performance of employees who violate, providing maintenance to applicable regulations, and providing lessons to a deterrent effect on violators.

According to B.F. Skinner, if the use of punishment can be used effectively, it can suppress behavior in the organization or in other words, punishment is better given after careful and objective consideration of various aspects that are quite relevant to the situation and conditions that occur by the boss in the form of criticism, demotion of position, and termination of employment.

One of the main roles of a punishment is to maintain employee work motivation. And the heavier the punishment that will be received by each employee will make an employee afraid to violate the rules or stay away from violating company regulations, and will make any attitude and

indiscipline behavior of each employee reduced (Blegur, 2019; Boateng, 2020; da Silva et al., 2017; Munn et al., 2022; Odebode, 2020). However, punishment must be carried out based on mature, reasonable considerations, and has been clearly informed to employees through socialization or included in the company's agreements and regulations. The punishment given should also not be too lightening or stressful, but in accordance with the applicable provisions, because punishment is constructive, reminding and educational and can be a motivational tool to maintain discipline in an organization. The punishment given by the company to employees has a fairly long flow and period of time, and it is explained that in providing this punishment, the company must consider the violations committed by each employee ranging from minor violations to serious violations.

As is the case in PT. XYZ has also implemented the Reward and Punishment system. Rewards to increase work motivation that have been implemented at PT. XYZ, namely through the provision of gifts for employees who excel and have motivation in carrying out their duties and responsibilities, the provision of incentives, salary increases and bonuses, and the provision of gifts for employees who give birth to new ideas for the progress of the company PT XYZ, employees who receive rewards are motivated employees and have completed their duties and responsibilities in accordance with the targets set by the company, such as the achievement of production targets in accordance with the targets that have been set and or exceeding the production achievement target and considered good and in accordance with the company's standard procedures and also related to the sale of good products. The Punishment system that has been running at PT XYZ is such as reprimands from direct or indirect superiors to employees who have been negligent in carrying out their duties and responsibilities at work, through verbal/written reprimands, first, second, third and first and last warning letters, salary deductions, and serious violations in the form of termination of employment, while the employees who are given the punishment are employees who violate the rules and are negligent in carry out their duties and responsibilities or there is no development and motivation for their work during work. One of the punishment phenomena at PT XYZ is that when one of the employees does not come to work without information, the Industrial Relations division will get data from the admin of each department and will be summoned to be given Punishment by the Industrial Relations division as a deterrent effect and so as not to repeat the same mistake as well as if the employee is late to work and has been given verbal guidance by the supervisor but still repeats the mistake The same is that the admin of each department will make a report to the Industrial Relations division to encourage the employee to be given a written warning letter in the hope that it can change and become a deterrent effect.

Meanwhile, some similar companies have a slightly different punishment phenomenon, namely by applying punishment in the way that every violation committed by employees will be subject to sanctions and also wage cuts, for example at a PT ABC smelter, there are employees who are not present for work without information will be given sanctions, plus there will be a wage cut on that day, as well as if you are late to work, wages will be deducted according to the actual hours Work for example Hours of entry to work 07:00 - 18:00 and if employees are late by 30

minutes to 60 minutes or more, overtime wages will be deducted according to the delay. The total punishment issued by PT XYZ was 259 warning letters consisting of 148 warning letters, 40 second warning letters, 9 third warning letters, and 62 first and last warning letters. Based on a brief interview with the leadership of PT XYZ, this is due to the lack of discipline of employees in carrying out their duties and responsibilities and lack of motivation which results in the achievement of work results from employees that are not optimal.

the number of violations of the Company's regulations at PT XYZ which resulted in the number of warning letters issued by the Company during the 2024 period according to the data in the figure above there were 57% of the first warning letter, the first and last warning letter 24%, the second warning letter 15% and the third warning letter 4% which resulted in the disruption of the Company's productivity in the 2024 period due to the many violations committed by employees

Work motivation will greatly affect the provision of rewards and punishments, because for employees who are rewarded they will be more motivated, more enthusiastic and will be more meticulous in carrying out their duties and responsibilities, and conversely for employees who are given punishment will be more motivated in improving their work performance and work motivation so that they can avoid punishment and be able to get rewards again in the future. Based on this, the researcher was attracted to conduct research at PT XYZ, because it has implemented a reward and punishment system in his company, and employees who work in this company after getting rewards and punishments for their performance and work motivation have a positive influence on the tasks and responsibilities given to them, ranging from speed, discipline, precision, obedience to their superiors and can work much better to support the progress of the company Ini.

PT XYZ is a limited liability company engaged in the management and refining of minerals and metals which is one of the national strategic projects and national vital objects located in South Halmahera Regency, North Maluku province. The number of employees at PT XYZ is currently 4,245 people. This is what requires that every employee must have good work motivation and performance in order to complete each of his tasks and responsibilities in each department or division.

Based on the results of the interview with the Company Leader (HRGA Manager), it is known that some of the employees agree with the implementation of rewards and punishments at PT XYZ, because with the policy related to rewards, employees will certainly be more enthusiastic and disciplined in carrying out their respective duties and responsibilities and with the punishment, of course, employees will be much more careful in doing their work. Because the management of PT XYZ has provided rewards and punishments, but there are still many violations that occur, for example related to discipline and also difficulty in work. in the 2025 period, it has been recorded that many Punishments have been issued and this has had a great impact on the Company's productivity. this is caused by the giving of rewards in a favouritistic way rather than objective performance and this is what makes employees dissatisfied and makes employees demotivated in work and based on a survey from Industrial relations PT XYZ proves that 60% of employees feel that their performance assessment is not objective and also based on interviews or direct discussions conducted by researchers to approximately 30 employees strengthens the existence of

employee dissatisfaction due to the giving reward in a way of favoritism that makes employees demotivated in work. And also related to the company only focusing on rewards or rewards even though there are several other factors that affect employee motivation such as public recognition, opportunities to work for the company.

As for employee motivation, the main problem is the lack of involvement which results in many employees feeling less involved with the company's vision and mission and the impact when employees are not connected to the company's goals, of course, their motivation level tends to decrease and also the work environment that emphasizes performance which often produces stress and also high saturation finally has an impact on reducing productivity and increasing mental health problems in employee. Based on these problems, such as examples of lack of maximum in carrying out duties and responsibilities such as attendance (discipline) and time efficiency, lack of involvement with the vision and mission, therefore the company also issued a memo related to penalties for violators of company regulations. As well as socialization related to sanctions that will be given in stages depending on what violations are violated by employees, some are just given warning letters and some are forced to terminate employment. Because the company already has commitments related to employee welfare, employee career development and other salaries and benefits have been taken into account by the company. With problems such as lack of optimal in carrying out their duties and responsibilities, lack of time utilization and lack of teamwork are part of motivation and work performance. Meanwhile, things that have been done by the company such as welfare and punishment for employees are part of the reward and punishment.

The rewards given by the company to each employee are adequate and fair, and it is explained that related to the provision of this reward, it is hoped that every employee can be motivated in carrying out their duties and responsibilities well and uphold sportsmanship at work and with this reward system, the company hopes that every motivated employee has a high desire to achieve for the progress of the company. Based on the information above, the researcher is very interested in conducting research to transfer the influence of the reward and punishment system at PT XYZ. Based on the background described, this study formulates three main research questions: (1) How is the reward and punishment system implemented at PT XYZ? (2) To what extent does the system affect employee work motivation? (3) Is there a significant relationship between work motivation and the implementation of the reward and punishment system? Accordingly, the objectives of this research are to identify and analyze the implementation of the reward and punishment system at PT XYZ, to understand its impact on employee work motivation, and to examine the relationship between employee motivation and system application in the field. The theoretical benefits of this study include contributing to the development of Human Resource Management knowledge and enhancing the understanding of how reward and punishment influence motivation and performance, especially in the context of the mineral and metal processing industry. Practically, the study aims to provide valuable feedback for PT XYZ's management on improving the system's effectiveness, offer strategic recommendations to enhance motivation, and serve as a reference for similar companies. Socially, the findings are expected to support employee well-being through fair

reward and consequence mechanisms and foster a positive organizational culture that values recognition, performance, and stronger management-employee relationships.

METHOD

This study aims to identify the factors that affect employee work motivation in the mineral and metal management company PT XYZ, which is one of the national strategic projects located in South Halmahera Regency, North Maluku Province. This research is carried out with a systematic approach, starting from problem formulation, preparation of research indicators, data collection through questionnaires, to analysis and presentation of results. This research process is scheduled to take place starting from December 1, 2024 until a time to be determined later. Through this approach, it is hoped that a deeper understanding of the dynamics of work motivation in the extractive industry work environment can be found.

The type of research used in this study is quantitative research. The quantitative approach focuses on measuring and analyzing the relationships between variables through objective and systematic statistical methods. This study aims to uncover the cause-and-effect relationship between variables such as reward, punishment, and work motivation, as well as produce data that can be generalized to a wider population. In contrast to the qualitative approach that emphasizes a subjective understanding of the social context, the quantitative approach in this study provides a structured and empirical framework to analyze the influence of variables in a measurable and statistically testable manner.

The population in this study includes all employees of PT XYZ totaling 4,245 people, with diverse backgrounds both in terms of regional origin, working period, and position. Clear and specific population determination through inclusion and exclusion criteria is essential for research results to be relevant and accurate. In this case, all active employees in various departments become part of the population, by sampling using stratified sampling and systematic sampling methods. The sample analyzed was active employees with a minimum working period of one year, both permanent and contract, who were willing to become respondents. The sample size was calculated using a formula of 15 times the number of research indicators, which resulted in 255 respondents as the minimum number needed.

In a study, determining the type and source of data is a crucial aspect to ensure the quality and relevance of the results obtained. In the context of this quantitative research, the type of data used refers to numerical measurement scales, namely interval and ratio scales, which allow for more complex and accurate statistical analysis. The data collected was sourced from respondents in the form of active employees of PT XYZ who have a minimum working period of one year, with distribution based on position level. The selection of this data source aims to obtain a comprehensive picture of employee satisfaction with the company's bonus system based on their respective job positions or positions.

The data collection technique is carried out in two stages, namely the collection of literature data and field data. Literature studies were used to gain conceptual understanding and delve into previous research, while field data was collected through interviews and questionnaires. An

unstructured interview was conducted with the HRGA PT XYZ Manager to obtain more in-depth contextual information related to the company's conditions and strategy. This interview covers topics about the company's history, products, long-term strategies, internal problems, and managerial perspectives related to work motivation factors. Meanwhile, a questionnaire was used to measure employees' perceptions and attitudes on a five-point Likert scale, from "Strongly Disagree" to "Strongly Agree", so that the data obtained was quantitative and structured.

Once the data is collected, the next step is the data analysis process using SPSS software. The analysis techniques used in this study include validity, reliability, normality, multicollinearity, and heteroscedasticity. The validity test is used to ensure that the measurement instrument is able to measure the research variable appropriately, with a significance value criterion < 0.05 . Furthermore, a reliability test with the Cronbach's Alpha method is used to assess the consistency of the measurement results. The instrument is declared reliable if the Cronbach's Alpha value > 0.7 , which indicates that the measurement tool provides stable and reliable results in repeated measurements.

A normality test was conducted to ensure that the data used had a normal distribution, using the Kolmogorov-Smirnov method. A significance value > 0.05 indicates that the data is normally distributed. Next, a multicollinearity test was conducted to detect correlations between independent variables by looking at the VIF value (< 10) and margin of error (> 0.10). Finally, a heteroscedasticity test was used to determine whether there was unequal variance in the residuals of the regression model. Heteroscedasticity was detected visually through a scatterplot of the residuals. If the points were randomly scattered, then there was no evidence of heteroscedasticity in the model, indicating that the regression model used met the classical assumptions and was reliable. 1.

RESULT AND DISCUSSION

Hypothesis Test

Cohesion Determination Test

Determination coefficient testing is intended to measure the model's ability to explain how much influence independent variables simultaneously affect dependent variables that can be indicated by adjusted R-squared values (Ghozali, 2016). The determination coefficient indicates the extent to which the contribution of the independent variable in the regression model is able to explain the variation of its bound variable. The determination coefficient can be seen through the R-square value (R^2) in the Model Summary table. According to Ghozali (2016), a small coefficient of determination value means that the ability of independent variables to explain dependent variables is very limited, on the other hand, if the value is close to 1 (one) and far from 0 (zero) it means that independent variables have the ability to provide all the information needed to predict dependent variables (Ghozali, 2016).

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.615 ^a	.378	.366	5.883

a. Predictors: (Constant), Punishment, Reward

Figure 1. Determination Coefficient Test
Data Source: Data Processing Results 2025

Based on the results of the analysis above, the percentage of diversity of variables in the amount of Work Motivation (Y) that can be explained by the variables Reward (X1) and Punishment (X2) is 37.8% while the remaining 61.5% is explained by other variables outside the regression model

Multiple Linear Regression Test

According to Ghozali (2016), multiple regression analysis is an investigation where it is intended to prove whether or not there is an influence between independent variables on bound variables.

Y: Work Motivation

a: Constant

b1, b2: Coefficient regression

X1: Reward

X2: Punishment

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	27.422	3.755		.000
	Reward	.471	.113	.418	.000
	Punishment	.328	.128	.257	.012

a. Dependent Variable: Motivasi Kerja

Figure 2. Multiple Linear Regression Test
Data Source: Data Processing Results 2025

$$Y = 27.422 + 0.471X_1 + 0.328X_2$$

The constant is 27.422, which shows that if X1 and X2 are values of 0, then the value of Y remains 27.422.

Based on the variable X1 (Reward) the results of the regression test showed that the variable X1 (Reward) had a positive regression coefficient with a value of $b=0.471$. This means that if there is an increase in the variable X1 (Reward) by 1 point, there will also be an increase in the variable Y by 0.471. Based on the variable X2 (Punishment), the results of the regression test showed that the variable X2 (Punishment) had a positive regression coefficient with

a value of $b=0.328$. that is, if there is an increase in the variable X2 (Punishment) by 1 point, there will also be an increase in the variable Y by 1 point 0.328.

F Test (Simultaneous)

The simultaneous test F shows whether the independent variables together can significantly affect the dependent variables. Decision-making if $\text{sig} < 0.05$ or $f\text{-calculate} > f\text{ table}$, then there is a simultaneous influence of variable X on variable Y and if $\text{sig} > 0.05$ or $f\text{-calculate} < f\text{ table}$, then there is no simultaneous influence of variable X on variable Y.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2189.593	2	1094.796	31.635	.000 ^b
	Residual	3599.099	104	34.607		
	Total	5788.692	106			

a. Dependent Variable: Motivasi Kerja

b. Predictors: (Constant), Punishment, Reward

Figure 3. Simultaneous F Test
Data Source: Data Processing Results 2025

Based on the results of the analysis of the table above, it was obtained that the value of $f\text{ Calculation} (31,635) > f\text{ of the Table} (3.93)$ and the value of $\text{sig} (<0.000) < 0.05$, it was concluded that there was a positive and significant influence of the variables x_1 (Reward) and x_2 (Punishment) simultaneously on Y (Work Motivation) so that H_3 was accepted and H_0 was rejected.

T Test (Partial)

According to Ghozali (2016), the t-test is used to be able to determine the influence of each variable based on the partial significant impact on the dependent variable. The basis for decision-making is that if $t\text{-calculate} > t\text{-table}$ with a sig value ≤ 0.05 where H_0 is rejected and H_1 is accepted, it explains that there is a significant correlation of the bound variable and if $t\text{-calculates} < t\text{-table}$ with a sig value > 0.05 where H_0 is accepted and H_1 is rejected, it explains that there is no significant correlation of the bound variable.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	27.422	3.755		7.303	.000
	Reward	.471	.113	.418	4.173	.000
	Punishment	.328	.128	.257	2.569	.012

a. Dependent Variable: Motivasi Kerja

Figure 4. Partial T Test

Based on the results of the analysis of the table above, a calculated t value was obtained, namely $(4,173) > t_{table}(1,982)$ and $sig (<0,000) < 0.05$, then it was concluded that the reward had a positive effect and had a significant effect on work motivation at PT XYZ, then H_0 was rejected and H_1 was accepted, this explains the significant attachment of the related variables. Based on the results of the analysis of the table above, the t-value was obtained, namely $(2,569) > t_{table}(1,982)$ and $sig (<0.012) < 0.05$, it was concluded that Punishment had a positive effect and had a significant effect on work motivation at PT XYZ, then H_0 was rejected and H_2 was accepted, this explains the significant attachment of the related variables.

Descriptive Research

This research was carried out at PT XYZ, a national company engaged in the management and refining of minerals and metals, located in South Halmahera Regency, North Maluku Province. PT XYZ is one of the largest integrated smelters in Eastern Indonesia with a total of 4,245 employees at the time of the study. The company has a complex organizational structure and consists of several technical and administrative work divisions, reflecting the organizational complexity of extractive industries that directly affect managerial systems, including human resource policies such as the reward and punishment system. This institutional context is important because the reward and sanction system in large companies with strong hierarchical structures often plays a role as an instrument to regulate motivation and work discipline.

The research population consists of all active employees of PT XYZ who have worked for at least one year. Sampling is carried out through the stratified sampling method based on work divisions and job levels, and continues with systematic sampling, resulting in a representative sample of all functional units in the company. The respondents involved in the survey totaled 260 people, consisting of 80.8% men and 19.2% women, reflecting the dominant gender structure in the heavy industry sector. Based on age group, most respondents were in the age range of 26–35 years (54.6%), followed by the age group of 36–45 years (23.5%), with an average age of 33.4 years and a standard deviation of 5.7 years. The average working period of the respondents was 5.9 years, which indicates intermediate work experience and is representative enough to evaluate the managerial system that has been implemented over a significant period of time.

Primary data was collected through the distribution of questionnaires that measured reward, punishment, and work motivation variables. This questionnaire is designed to capture employees' perceptions of the reward and punishment systems implemented in the company as well as their level of work motivation. In addition, interviews were conducted with the management to gain further insight into the implementation of the reward and punishment system at PT XYZ.

The above data shows that the majority of respondents have had enough work experience to provide a critical assessment of the implementation of the reward and punishment system. In addition, the diversity of backgrounds and working periods also enriches the variation in perceptions of the management system being analyzed. As explained in the previous study, demographic characteristics such as the age and length of service of employees have an influence

on how employees interpret organizational policies, especially as it relates to fairness and work motivation.

The institutional context of PT XYZ, which operates in the heavy industry sector with a high level of work risk, makes the reward and punishment system an important instrument in human resource management. The implementation of this system aims to increase employee work motivation, which in turn is expected to increase productivity and overall company performance.

By understanding the data characteristics and institutional context of PT XYZ, this study aims to analyze the extent to which the reward and punishment system affects employee work motivation.

Presentation of Research Results

The results of this study were compiled based on the processing of quantitative data collected through the distribution of questionnaires to 107 respondents, namely active employees of PT XYZ who have met the criteria for a minimum working period of one year. The primary data collected included respondents' perception of the reward and punishment system and the level of work motivation. All instruments have been tested for validity and reliability before further analysis. The presentation of results will be arranged in several main parts according to the research variables, namely respondent characteristics, validity and reliability tests, classical assumption tests, and multiple linear regression tests.

Instrument Validity and Reliability Test

The validity test was carried out by comparing the value of r-count and r-table of 0.1966. all statement items in the variables of work motivation, reward, and punishment have r-count > r-table, so that all are declared valid. The reliability test showed that all variables had Cronbach's Alpha values > 0.60, namely Reward (0.910), Punishment (0.850), and Work Motivation (0.894). This indicates that the research instrument has high internal consistency.

Classic Assumption Test

The normality test (Figure 1) shows a significance value of $0.059 > 0.05$, which means that the data is normally distributed. The multicollinearity test showed a Tolerance value of 0.595 and a VIF value of 1.680, both of which were qualified so that it could be concluded that multicollinearity did not occur. The heteroscedasticity test showed a random and symmetrical pattern of point distribution, so there was no indication of heteroscedasticity in the regression model.

Multiple Linear Regression Test

The multiple linear regression equations obtained are:

$$Y=27.422+0.471X_1+0.328X_2$$

The determination coefficient (Figure 2) shows that reward and punishment together explain 37.8% of the variation in work motivation, while the rest is explained by other variables outside the model.

Simultaneous Test (F Test)

The results of the F test (Figure 3) show that the F value of the calculation is $31.635 >$ the F table is 3.93, with a significance of <0.000 . This shows that rewards and punishments simultaneously have a significant effect on work motivation.

Partial Test (t-test)

The results of the t-test (Figure 4) showed that the reward variable had a t-value of 4.173 and a significance of <0.000 , while the punishment variable had a t-value of 2.569 and a significance of <0.012 . Both are larger than t table (1.982), which means that rewards and punishments partially have a significant influence on work motivation.

Discussion

The results show that the reward and punishment system has a significant relationship with employee motivation and performance in the context of industrial organizations. Based on the results of statistical analysis in the previous sub-chapter, it can be seen that the reward variable shows a positive and significant influence on work motivation, with a strong coefficient value and a p value that is below the significance level of 0.05 (Table 4.3). These findings are in line with Herzberg's theory of motivation-hygiene, where external rewards such as incentives, bonuses, and promotions can serve as key motivators in increasing work productivity. Research by Ghevira and Barry (2024) confirms that rewards given fairly and constructively contribute greatly to improving employee motivation and performance in food industry companies.

On the other hand, although punishment also has a positive effect on performance, the intensity of the effect is not as strong as the reward. This can be seen from the lower coefficient values and more marginal significance (Table 4.4), suggesting that punishment is more corrective than intrinsically motivating. This finding is also supported by research conducted by Fahlevi and Rahadi (2024), which underlines that punishment plays a role in maintaining discipline, but is not as effective as rewards in building a sustainable work ethic.

Furthermore, work motivation was shown to significantly mediate the relationship between reward and performance, but did not significantly mediate the relationship between punishment and performance. This reinforces the assumption that employees' intrinsic motivation is influenced more by the provision of fair and meaningful rewards, rather than by the threat of punishment. Similar results were also obtained in a study by Elfina et al. (2023) in the agribusiness sector, which found that rewards significantly mediated the relationship between motivation and work performance, while punishment had only a moderate impact.

The integration between the results of statistics and theory above shows that organizations that want to improve their employee performance need to focus on optimizing a reward system

that is oriented towards employee achievement, as well as treating punishment as a control mechanism, not as the main tool of motivation. In other words, rewards and punishments should be used synergistically, with rewards being the main support for increasing motivation and punishment as a regulator of work discipline. Overall, this discussion confirms that rewards make a substantial contribution to the achievement of organizational goals through increased work motivation, and that the role of punishment is still necessary in creating a structured work environment.

Hypothesis Test or Validation of Findings

Hypothesis testing in this study was carried out to assess whether there is a significant influence between the reward and punishment system on the work motivation of PT XYZ employees. The three hypotheses tested are as follows:

- H_{01} : There was no significant effect between rewards on work motivation.
- H_{02} : There was no significant effect between punishment on work motivation.
- H_{03} : There is no simultaneous effect between reward and punishment on work motivation.

Data analysis was performed using multiple linear regression, and the test results are shown in the following Table 1.

Table 1. Multiple Linear Regression Test Results

Variabel	Koefesien	t-hitung	Sig. (p)	Keputusan H_0
Konstanta	27.422	—	—	—
Reward (X1)	0.471	4.173	0.000	Ditolak H_{01}
Punishment (X2)	0.328	2,569	0.012	Ditolak H_{02}
R2	0.378			
F-hitung	31.635		0.000	Ditolak H_{03}

Based on the above results, the first zero hypothesis (H_{01}) was rejected because the significance value of the reward variable was $0.000 < 0.05$ and the t-count was $4.173 > 1.982$. This means that there is a significant influence between reward and work motivation. This interpretation is supported by Abraham Maslow's theory of needs which states that rewards play an important role in meeting employees' self-esteem needs, which directly affects their level of work motivation. This finding is also strengthened by the results of a study by Azzahra and Barry (2024) which shows that a structured reward system is able to increase employee engagement and morale in the manufacturing industry sector

The second zero hypothesis (H_{02}) was also rejected because the significance value of punishment was $0.012 < 0.05$ with a t-count of $2.569 > 1.982$, which means that punishment had a significant effect on work motivation. Even though the coefficient value is lower than the reward, punishment still contributes to directing employee behavior to comply with company rules. These

results support Skinner's reinforcement theory perspective which states that punishment can be used to reduce negative behavior and increase compliance, although it does not necessarily increase intrinsic motivation. Research by Fahlevi and Rahadi (2024) also shows that the punishment system can be a strengthening factor in creating a disciplined and productive work environment.

Finally, the third zero hypothesis (H_{03}) which states that rewards and punishments simultaneously have no effect on work motivation is also rejected. It is based on the results of the F-test, where the F-value is calculated as $31.635 > F\text{-table is } 3.93$ with a significance value of 0.000. Thus, rewards and punishments together contribute significantly to the variation in employee work motivation. This suggests that using both approaches simultaneously is more effective than using either alone. Within the framework of Herzberg's two-factor theory, reward plays a role as the main motivator, while punishment functions as a hygienic factor that avoids job dissatisfaction. With the rejection of all null hypotheses, the empirical validation of the conceptual model of this research is getting stronger. Statistical testing shows that the reward and punishment approach has a solid basis to be applied as a strategy to increase work motivation, especially in a heavy industrial work environment such as PT XYZ.

CONCLUSION

The implementation of the reward and punishment system at PT XYZ reflects the company's commitment to systematically managing work behavior through a managerial approach based on performance evaluation. Rewards are given in the form of annual bonuses, productivity incentives, and rewards for individual and team achievements, which not only serve as financial compensation, but also as a symbol of organizational recognition and justice. This aspect is important in building sustainable work motivation and strengthening employees' emotional attachment to the company. Instead, the punishment system is carried out gradually and proportionately, ranging from reprimands to bonus deductions, in response to violations of work discipline. This corrective approach is not intended as a threat, but rather as a normative control that maintains operational stability and work behavior that complies with standards. A balanced combination of rewards and punishments demonstrates the company's success in creating a structured and fair work environment.

From the results of statistical testing, it was found that both rewards and punishments have a significant influence on employee work motivation, with rewards showing a more dominant influence. Higher reward regression coefficients and higher levels of significance suggest that performance rewards have a greater motivation than punishment for violations. These findings are in line with Herzberg's two-factor theory that places reward as the main motivational factor that can increase job satisfaction and productivity, while punishment only acts as a hygienic factor to prevent dissatisfaction. In addition, the results of multiple linear regression tests confirmed that rewards and punishments simultaneously contributed 37.8% to the variation in employee work motivation. This proves that reward and punishment-based behavior management systems have a

strategic role in forming a balanced, proactive, and disciplined work environment, and are relevant to similar industrial sectors that have formal and complex organizational structures.

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