



THE EFFECT OF REWARDS AND WORK DISCIPLINE ON EMPLOYEE PERFORMANCES

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Abstract: Owned high-performance employees can make organizational goals achieved; otherwise, organizational goals cannot be achieved if employees do not have performance in carrying out tasks by the responsibilities given. The factors that can affect performance are rewards and discipline. The purpose of this study was to determine the effect of reward and work discipline on employee performance. The method used in this research is a literature review study. The results obtained are from 10 journals that are included in the inclusion criteria, the majority have results where rewards and work discipline have a significant positive influence. The conclusion that can be drawn from this research is that rewards and work discipline can have a positive influence on employee performance.

Keywords: Employee Performance; Rewards; Work Discipline

INTRODUCTION

Quality human resources are human resources who have the expertise, professionalism, and productivity and can independently compete healthily in the world of work and are required to have insight into the surrounding environment (Hasibuan, 2016). To regulate human resources to be of higher quality, good human resource management (HRM) is needed considering that free competition currently needs greater attention. Human resources play an important role in every organization or company activity even though the roles and functions of the workforce have been replaced by industrial machines. But, until now, labor is still an important factor in determining the course of the production process. Therefore, every company wants every workforce to work effectively and efficiently. The low quality of the workforce greatly affects the development and increase of production in various fields. This is because the workforce plays an important role to achieve company goals. For a company that has the goal of developing its business, maintaining life, and generating profits, Employee Performance is very important as a measure of success in running a business. The success of a company is reflected in the work results of each individual in the company, the work results will affect the overall performance of the company.

Performance is the result of the quality and quantity of work accomplished by an employee in performing their duties following the responsibilities given to him (Mangkunegara, 2013). Performance, or the performance is the result of work that can be achieved by one or a group of people in an organization, following the responsibilities and authorities of each to achieve organizational goals. Performance is the result of work that can be achieved by one or a group of people in an organization, following the responsibilities and authorities of each to achieve organizational goals. From the definition of performance can be concluded that performance is the ability of a business to achieve better results obtained from specific job functions. Increasing employee performance is expected to have an impact on improving employee welfare at the company. An increase in workforce performance will provide great benefits for workers, the business world, and the government. In terms of the workforce, high performance will increase the number of wages received, for the business world the



performance of the workforce provides benefits to maintain the survival of the company and for the government to increase national income.

Improving the performance of company employees requires individuals who are competent and can work because they are very important to improve the company to achieve the targets that have been set. Employee performance is one of the assets owned by a company, a company that is developing and advancing, so it can be seen from how qualified the performance of employees in a company is. If the employee's performance is very good, it will be very profitable for the company, and vice versa if the company's performance is not good then the company will not develop and progress. Performance is work achievement or work (output) both quality and quantity achieved by human resources in carrying out their work duties under the responsibilities assigned to them (Mangkunegara, 2016).

To improve employee performance, companies must implement a strategy so that employees make continuous changes every day and become quality employees. This does not escape from various supporting factors in increasing employee productivity, including the provision of rewards that are commensurate with employee performance, outside of the salary received by employees. In managing the limited resources owned by the company, the company is required to be able to empower and optimize to achieve its goals and maintain its survival. Human resources (HR) is one of the company's competitive advantages in terms of efficiency, effectiveness, and flexibility of the company in achieving its goals. The task demands that exist in a company are one of the causes of the emergence of work discipline in employees. Giving rewards is not only to retain employees but also to motivate employees to work even better. By giving rewards to employees, it can encourage employees to have more positive behavior and attitudes at work which can increase productivity. Based on this, this journal aims to determine the effect of giving rewards and work discipline on employee performance.

METHODS

The design of this research is a literature review. Literature review, literature research is research that examines or critically reviews knowledge, ideas, or findings contained in the body of academic-oriented literature, and formulates theoretical and methodological contributions to certain topics (Cooper, 2012). The nature of this research is descriptive analysis, namely the regular breakdown of the data that has been obtained, then understanding and explanation are given so that it can be understood well by the reader.

Search for published articles on Google, Google Scholar, and Research Gate using selected keywords, namely: reward, discipline, and employee performance. Articles or journals that meet the inclusion and exclusion criteria are taken for further analysis. This Literature Review uses literature published in 2017-2020 which can be accessed in free full text in pdf and scholarly formats (peer-reviewed journals). The criteria for the journals reviewed are research journal articles in Indonesian and English with the subject being a reward, while the object of the research is work discipline and employee performance. Research on free full-text is 24.600 articles and was eliminated by the inclusion criteria become 10 articles that are eligible to be added to this literature review. Based on inclusion and exclusion criteria, the result is:

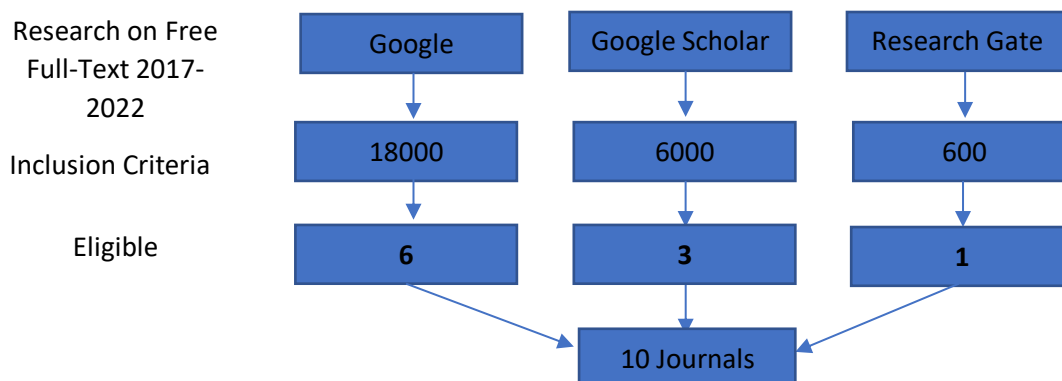


Figure 1. Article Selection Schema
 Source: Process data (2022)

Analysis of research data was carried out by analyzing the content contained in the research objectives and research results/findings. Analysis of the contents of the journal, then coding was carried out on the contents of the journal being reviewed based on the outline or essence of the research which was carried out by parsing it in a sentence then if it had been collected then the similarities and differences in each study were then discussed to conclude.

RESULTS AND DISCUSSION

Collecting data by literacy or searching scientific articles in research journals on Reward and Work Discipline on employee performance using the keywords reward, discipline, and employee performance, a total of 24600 publications from Google Search, Google Scholar, and Research Gate. After being selected based on inclusion criteria with the journal publication year 2017-2022, there were 148 publications, but those who were eligible for analysis were 10 journals due to publications such as thesis, papers, field practice reports, and theses cannot be analyzed or cited in this literature review.

Table 1. Literature Study of the Effect of Reward and Work Discipline on Employee Performance

No	Name, Year	Method	Location	Sample	Result
1	Suwanto et al., 2022	Explanatory research	Bekasi	96 respondent	significant 0,000<0,05
2	Nompo et al., 2020	Quantitative	Manado	40 respondent	significant 0,031<0,05
3	Bentar et al., 2019	Quantitative	Sukabumi	47 respondent	significant 0,000<0,05
4	Nisa et al., 2021	Quantitative	Lamongan	98 respondent	significant 0,000<0,05
5	Iskandar, 2021	Quantitative	Makassar	47 respondent	significant 0,000<0,05
6	Amri, 2019	Quantitative and Qualitative	Palopo	20 respondent	significant 0,007<0,05
7	Basuki et al., 2017	Quantitative	Jakarta	69 respondent	Not significant 0,100 > 0,05
8	Wahyuningrum et al., 2020	Quantitative	Semarang	30 respondent	significant 0,011<0,05
9	Tahupiah et al., 2019	Quantitative	Manado	85 respondent	Not significant 0,511>0,05
10	Rahma & Maulidasari, 2021	Quantitative	Aceh	37 respondent	significant 0,000<0,05

Source: Process data (2022)



Based on the data above, there are variations in research results, where of the 10 eligible research journals, most of them, namely eight research journals, show that rewards and work discipline have a significant influence on employee performance. Research by Nampo et al. (2020) shows that Reward has a positive effect on the Employee Performance variable at PT. Pegadain (Persero) Kanwil V Manado, where if the reward increases, the performance of employees at PT. Pegadaian (Persero) Kanwil V Manado will also increase, it explains that if rewards are incentives that link pay based on being able to increase employee productivity to achieve a competitive advantage, it is also known that reward is one thing that can be done in enforcing employee performance. While the Work Discipline variable has a positive effect on the Employee Performance variable where if work discipline increases, the employee performance at PT. Pegadaian (Persero) Kanwil V Manado will also increase. The results of this study are also supported by similar research by Suwanto et al (2022) which shows that the provision of rewards and work discipline has a significant effect on work performance with a p-value of $0.000 < 0.005$ which indicates that these two variables can significantly affect employee performance, it explain that Discipline is a force that develops within the worker's own body which causes him to adapt voluntarily to decisions, rules, and high values of work. Employee performance can be relied on by many factors, one of which is work discipline. Discipline is an attitude of willingness and willingness to obey and obey the norms of regulations that apply around it. Employees who have a high level of discipline will obey all applicable regulations and will work with enthusiasm and diligence even if the leadership does not supervise directly (Nimpuno, 2015). High work discipline from employees is needed by a company in achieving its goals optimally. High level of work discipline The amount of a person's sense of responsibility for the tasks that have been given to him. Every employee realizes that work discipline is the key to success that must be applied and must be carried out by each individual because good work discipline will provide smoothness in the process of carrying out work and will also achieve maximum work results within the company (Sunarsi, 2016). Discipline will reflect strength because usually, someone who succeeds in his work is those who have the high discipline (Juhana & Haryati, 2013).

Research by Nisa & Haidi (2021) with the title The Role of Work Discipline, Rewards, and Job Training on Work Achievement for Employees of Perumda BPR Bank Lamongan Regency, Nisa & Haidi uses the term work achievement with the understanding of an employee's achievement in terms of quality and quantity in which employees carry out tasks according to the responsibilities assigned to the employee which is the same as employee performance. The results obtained are that the reward variable has a significant effect on work achievements. According to Mersilina et al. (2019), rewards have a significant positive effect on work achievement with a significance of p-value = 0.000, this is because this reward program makes it easier for someone to achieve work performance in the company. Yanti et al. (2019) stated that the better the reward, the better work achievement compared to the absence of a reward. The work discipline variable has a significant effect on work achievement. According to Logor et al. (2015), that work discipline is one of the important variables in a company, with good employee work discipline, the employee's work achievement will be higher, without work discipline it is difficult for companies or organizations to achieve the results to be achieved.

While the effect of reward and discipline together can have a positive influence on the coefficient of determination research results Rahma & Maulidasari (2021) found Adjusted R Square that is 0.807. This can be interpreted as the ability of the reward



variable (X1) and work discipline (X2) to explain the employee performance productivity variable (Y) which is 80.7% of 100% and the remaining 19.3% are explained by variables that are not mentioned in this study such as promotions, position and individual characteristics, etc

Reward means a thing given to anyone because of his contribution to the organization. Rewards and incentives contribute to strategy implementation by shaping individual behavior in the organization. Reward management is important for any business that has employees. Human resources are usually in charge of the reward management program in a company. This lesson discusses the theory and importance of reward management. A good design reward system is consistent with organizational goals, visions, missions, and job performance. The most obvious reward that an individual gets from the job is in the form of pay.

Reward management is a motivational practice that businesses use to reward employees for their achievements and success. In managerial terms, the reward is defined as the total return given by an employer to an employee for rendering his/her services towards the organizational objectives. The company sets goals and establishes rules for its employees to follow to achieve those goals. This is the overall return from the work. Every person asks for a return from the organization before involving in any type of activity, which is termed as a reward. It attracts a worker's attention and inspires him/her to perform the task. Moreover, a reward is a pay-off for performance which is directly concerned with the level of motivation and job satisfaction.

The better the rewards received by employees, the more their performance increases in carrying out their main tasks. Rewards are rewards, prizes, awards, or rewards that aim to make someone even more active in their efforts to improve or improve the performance that has been achieved. Rewards are incentives that link pay based on being able to increase employee productivity to achieve a competitive advantage. Rewards can be interpreted as rewards, prizes, rewards, or rewards, similar to statements (Moorhead & Griffin, 2013; Dihan & Hidayat, 2020) that state that rewards or rewards include many of the incentives provided by organizations to employees as part of a psychological contract. In the contemporary world, rewards for better performance and success matter more than the actual achievement itself. Indeed, as the global financial crisis showed, rewards were everything for the bankers as they strove for more reckless bets and increasing risk-taking. Because of the system of flawed incentives, rewards were seen as the ultimate prize that was greater than the actual process of winning. Hence, rewards management has to be seen in the context of what is proper and just rewards and what are disproportionate rewards. The point here is that rewards ought to justify the performance and not exceed them. What we mean by this is that it is okay to reward a high performer for his or her stellar performance but not to the point where in the pursuit of rewards, the individual throws caution to the winds and indulges in unethical behavior. If several things that can be done to enforce discipline, one of which is the provision of rewards. To create good performance, the company must pay attention to whether the rewards that have been given are by the burdens and responsibilities of employees. This means that the better the rewards received, the better the performance of the employees.

Likewise, the discipline variable shows the higher the level of work discipline of an employee, the more performance is produced in carrying out their duties. Work discipline is a form of obedience to the rules, both written and unwritten that have been determined. Discipline must be cultivated to grow order and efficiency. Discipline is a form of employee self-control that is regularly implemented and shows the level of seriousness of the work team within the organization. The discipline of an employee in



an important role is also to show the integrity of an employee remains well preserved in a company, the level of lack of discipline an employee in the work will influence the activity and productivity of the company in the future. Work discipline is the behavior of someone who follows the rules, and procedures existing work or discipline is the attitude, behavior, and act following the rules of the organization both written and unwritten. Discipline employees would speed up the company's goals, while discipline will degenerate into obstacles and slow down the achievement of corporate goals. Without the discipline of good employees is difficult for enterprise organizations to achieve optimal results. And discipline is the nature of an employee who consciously abides by the rules and regulations of a particular organization. Based on the above, it can be concluded discipline is an attitude to obey the rules that apply remedy achieve performance and achievement of company objectives.

Although the majority of research results regarding the effect of reward and work discipline have a positive influence on employee performance, different results were found in two research journals, namely not finding significant results between rewards and employee performance with a p-value = 0.1000, as well as the results of this study. by Tahupiah et al. (2019), namely the reward variable in this study has a negative and insignificant effect on employee performance at PT. PLN (Persero) Manado. From the results of the study, it can be seen that the research hypothesis which states "Reward has a significant influence on employee performance" is rejected. So it can be concluded that the reward has no significant effect on employee performance. This is because of PT. PLN (Persero) Manado always pays attention to giving rewards to employees so that the reward factor does not affect the performance of employees at PT. PLN (Persero) Manado. This is also supported by previous research conducted by Kentjana & Nainggolan (2018) under the title The Effect of Reward and Punishment on Employee Performance With Motivation as an Intervening Variable (Case Study at Pt. Bank Central Asia Tbk.) with research results showing that reward has no significant effect on employee performance. The effect of reward in this study did not have a significant value, it could be caused by many other factors that were not examined such as punishment, leadership style, work motivation, workload, and others.

CONCLUSION

Based on the results and discussions that have been described, it can be concluded that reward and work discipline variables have a positive effect on employee performance. A well-designed reward system will lead to organizational productivity and employee satisfaction. Moreover, reward management is the process of creating, implementing, and controlling an effective reward system in the organization that helps to maintain and improve organizational performance.

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