
The Effect of Work Motivation, Reward and Punishment on Employee Performance at Bank Sumsel Babel KC Prabumulih

KEYWORDS

Employee Performance,
Work Motivation, Reward,
Punishment

Nurshanti Wijaya¹, Marlina Widiyanti², Muhammad Yusuf³, Agustina Hanafi⁴

Universitas Sriwijaya, Palembang, Indonesia^{1,2,3,4}

Email: 01012682226011@student.unsri.ac.id,

marlinawidiyanti@fe.unsri.ac.id, m.yusuf@polsri.ac.id,

agustinahanafi@fe.unsri.ac.id

ABSTRACT

This study examines how work motivation, rewards, and penalties influence employee performance at Bank Sumsel Babel KC Prabumulih. The research, conducted among 51 permanent employees in 2024, employed multiple linear regression analysis to find that work motivation, rewards, and penalties significantly and positively affect employee performance. Notably, work motivation was identified as critical in Prabumulih for effectively managing team members and aligning education levels with job roles and responsibilities. Rewards were implemented to ensure fair promotion practices, while penalties aimed to maintain consistent discipline in accordance with company regulations. These findings underscore the importance of motivational factors, rewards, and penalties in enhancing employee performance at the bank.

INTRODUCTION

The rapid development of the economy is accompanied by the rapid development of science and technology that requires human resources to keep up with existing changes (Saleh, Surya, Annisa Ahmad, & Manda, 2020). Human resources are one of the most important aspects that must be managed by an organization in order to make a maximum contribution to the achievement of an organization's goals. In the development of the increasing business world, the level of competition in the business field is also higher, one of which is in the industrial sector (Bal & Erkan, 2019). The company is required to be able to achieve the expected targets by improving the quality of employee performance. Given the importance of human resources, including roles, management, and employee utilization, it is necessary to spur employee morale. To improve effective performance, organizational agencies can pay attention to the most important thing, namely, meeting the needs of their employees (Pramesti, Sambul, & Rumawas, 2019).

Bank Sumsel Babel is a Regional Development Bank of South Sumatra and Bangka Belitung whose largest shares are owned by the local government of South Sumatra Bangka Belitung. PT

Bank Pembangunan Daerah Sumatra Selatan and Bangka Belitung were established on November 6, 1957, then on November 20, 2009, PT Bank Sumsel officially changed its name to Bank Sumsel Babel. With the vision of becoming a leading and trusted bank with superior performance based on digital services, Bank Sumsel Babel is one of the most developed Regional Banks in Indonesia, as evidenced by the many awards and good assessments from various institutions (Odang & Harsono, 2024).

Bank Sumsel Babel has a network of 31 branch offices spread throughout the provinces of South Sumatra and Bangka Belitung. Bank Sumsel Babel Prabumulih Branch is a representative branch office in the Prabumulih Region located on Jalan Jenderal Sudirman No.19, Muara Dua Village, East Prabumulih District, Prabumulih City. Bank Sumsel Babel Prabumulih Branch is one of the branch offices that has a good performance every year, as evidenced by the goal-setting value from 2021 to 2023 getting a good judiciary. The achievement of targets or goal setting at Bank Sumsel Babel Prabumulih Branch is assessed based on the realization achieved of the targets that have been set by the company (Uripto & Lestari, 2023). The following is the achievement of employee performance targets or goal setting listed in the table below.

Table 1.
Goal Setting of Bank South Sumatra Babel Prabumulih Branch Office

| Goal | 2021 | | 2022 | | 2023 | |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Target | Realization | Target | Realization | Target | Realization |
| 1. Third-Party Funds | 70 | 67 | 74 | 89 | 77 | 81 |
| 2. Credit | 119 | 130 | 124 | 124 | 126 | 129 |
| 3. Fee Based Income | 20 | 8 | 21 | 12 | 22 | 20 |
| 4. E-Chanel | 30 | 52 | 32 | 48 | 33 | 41 |
| 5. Share Deposit | 5 | - | 6 | - | 6 | 4 |
| 6. Profit | 35 | 26 | 36 | 24 | 38 | 33 |
| 7. Total Score | 280 | 283 | 293 | 297 | 303 | 308 |
| 8. Judicium | GOOD | | GOOD | | GOOD | |

Source: Internal Data of Bank South Sumatra Babel KC Prabumulih, 2021-2023

This shows that the Bank Sumsel Babel Prabumulih Branch has a good performance. The improvement in the company's performance is certainly inseparable from the performance of its employees (Narkuniené & Ulbinaité, 2018). Every company will always strive to improve the performance of its employees, with the hope that the company's goals will be achieved. In order for employees to work according to expectations, there must be work motivation in employees.

Employee Attendance in the Late Attendance Category at Bank Sumsel Babel Prabumulih Branch Office in 2021-2023, shows an increase in late attendance from 2021-2023 with an average value of 12.5%. Thus, there is a phenomenon of a non-linear relationship between Goal Setting

performance from 2021-2023 to employee attendance in 2021-2023. Where the goal-setting value increased, but employee attendance increased for tardiness. This is not in line with the opinion of Sinambela & Ana (2016) said that the performance results of a company are influenced by many factors and one of them is the motivation of its employees. Employees who have high motivation at work will show optimal actions, attitudes and performance at work.

One way organizations can enhance employee performance is by implementing rewards designed to improve employee welfare, such as incentives beyond their base salary. For instance, these rewards could be tied to the workload employees handle, aiming to motivate them to perform well and thereby enabling the organization to deliver high-quality public services. Reward It can be interpreted as an assessment system associated with performance appraisal that aims to spur employee achievement and work motivation in the organization. Goal Reward encourages employee performance improvement (Rajagukguk, Ambarita, & Hanum, 2023a). At Bank Babel KC Prabumulih Rewards received by employees including Reward quarterly to all employees if the realization of profit is above the target set in the RBB and the Bank's health level is at least PK 3 (quite healthy), the company provides group reward to the TOP 3 branches based on the achievement of the highest goal setting, annual bonuses, incidental allowances given ahead of the new school year for the needs of school children or other things that according to the management can help the needs of employees in supporting performance and work motivation, and other employee benefits provided by the company outside the rights of employees. Everything related to Reward at Bank Sumsel Babel is regulated in the Company Guidelines Payroll Procedures and Facilities No Ins.PP/HCL/021/2022.

The performance of Bank Sumsel Babel Prabumulih Branch indicates significant improvement, closely tied to the effectiveness of its employees. Every organization endeavors to enhance employee performance to achieve its objectives. However, maintaining optimal employee motivation remains crucial. Employee attendance categorized as late at the Bank Sumsel Babel Prabumulih Branch from 2021 to 2023 exhibited an increasing trend, averaging 12.5%. This highlights a non-linear relationship between goal-setting performance during the same period and employee tardiness. This contrasts with Sinambela's assertion in 2016 that employee motivation significantly impacts company performance, suggesting that highly motivated employees demonstrate superior actions and attitudes.

One effective strategy for organizations to boost employee performance is through implementing comprehensive reward systems that enhance employee welfare beyond basic salaries. Such incentives, tailored to workload and performance, aim to motivate employees and improve service quality. The concept of goal rewards, as discussed by Herlina & Ambarita (2023), links performance appraisal with rewards to stimulate employee achievement and motivation within the organization. This research aims to differentiate itself by focusing on the specific impacts of goal setting and reward systems on employee attendance and overall performance at Bank Sumsel Babel Prabumulih Branch, offering a nuanced perspective on the dynamics of employee motivation and its implications for organizational success.

METHODS

The population in this study is all permanent employees at Bank Sumsel Babel KC Prabumulih for the 2024 period of 51 employees. The determination of the number of samples used by the author in this study is by the census method (saturated sampling) which is a sample determination technique when all members of the population are used as samples. The sample determination method used in this study is the saturated sample method. The saturated sample method is a sampling technique in which all members of the population are used as respondents. In this study, the respondents in this study are all permanent employees at Bank Sumsel Babel KC Prabumulih for the 2024 period as many as 51 employees, all of which are the number of respondents in this study. The research population consists of all 51 permanent employees at Bank Sumsel Babel KC Prabumulih for the 2024 period. The author employed a census method, also known as saturated sampling, where every member of the population is included as a sample. Therefore, all 51 permanent employees were included as respondents in this study.

RESULTS

- 1) The value of the work motivation variable ($X_{t_hitung\ 1}$) is 4.402 and the significance value is 0.000, then the $>$ value is ($4.402 > 2.011$) or the value (Sig.) is $0.000 < 0.05$. This means that work motivation has a significant effect on employee performance at Bank Sumsel Babel KC Prabumulih. This proves that the first hypothesis that work motivation has a positive and significant effect is acceptable. $t_{hitung} > t_{tabel}$
- 2) The value of the reward variable ($X_{t_hitung\ 2}$) is 4.824 and the significance value is 0.001, then the $>$ value is ($4.824 > 2.011$) or the value (Sig.) is $0.000 < 0.05$. This means that rewards have a significant effect on employee performance at Bank Sumsel Babel KC Prabumulih. This proves that the second hypothesis of rewards has a positive and significant effect is acceptable. $t_{hitung} > t_{tabel}$
- 3) The value of the punishment variable ($X_{t_hitung\ 3}$) is 4.009 and the significance value is 0.003, then the $>$ value is ($4.009 > 2.011$) or the value (Sig.) is $0.000 < 0.05$. This means that punishment has a significant effect on employee performance at Bank Sumsel Babel KC Prabumulih. This proves that the third hypothesis of punishment has a positive and significant effect is acceptable. $t_{hitung} > t_{tabel}$

DISCUSSION

The Effect of Work Motivation on Employee Performance at Bank South Sumatra Babel KC Prabumulih

The results of the analysis obtained in this study show that work motivation has a positive and significant effect on employee performance at Bank Sumsel Babel KC Prabumulih so the first hypothesis can be accepted. The results of this study are in line with the results of the research

(Thao-Vy, HUANG, & Manh-Hoang, 2022) showed that work motivation had a positive and significant effect on employee performance.

Respondents' responses to the work motivation variable on the indicator that I feel comfortable with my colleagues show the lowest score (Kuranchie-Mensah & Amponsah-Tawiah, 2016). It is suspected that some employees of Bank Sumsel Babel KC Prabumulih are not comfortable with the colleagues set by the company. Based on a direct interview conducted by the author one of the employees of Bank Sumsel Babel KC Prabumulih said that he was uncomfortable with the team members who were his colleagues. The employee did not give what was the reason for the colleague who was not in accordance with his wishes, whether there were internal or external factors from the employee. This makes it difficult for employees to be able to work comfortably considering the environment and colleagues who are not in accordance with their wishes.

On the indicator, I will give good work results for the company showing the highest score. This shows that the employees of Bank Sumsel Babel KC Prabumulih will provide good work results in accordance with the company's targets and expectations (Nurfadli, 2023). Employees at Bank Sumsel Babel provide work results that continuously improve and provide target achievement in accordance with company standards or even show the profits generated by the branch office and the achievements of its employees both internally (between fellow employees/branch offices) and externally (national competitions, etc.) given by Bank Sumsel Babel KC Prabumulih employees.

The Effect of Rewards on Employee Performance at Bank Sumsel Babel KC Prabumulih

The results of the analysis obtained in this study show that rewards have a positive and significant effect on employee performance at Bank Sumsel Babel KC Prabumulih so the second hypothesis can be accepted. The results of this study are in line with the results of the research (Jung, Kim, Kim, & Kim, 2023) which shows that Rewards have a positive and significant effect on employee performance.

Respondents' responses to the reward variable in the company's indicators provide an opportunity for job promotion to show the lowest value (Njanja, Maina, Kibet, & Njagi, 2013). It is suspected that some employees of Bank Sumatra Babel KC Prabumulih felt that the promotion of positions was not in accordance with expectations. Based on the author's direct interviews with several employees, Bank Sumsel Babel KC Prabumulih employees said that the provision of promotions for this position has quite a lot of requirements, both in terms of education, achievement, work achievement, service period and several other indicators that are the requirements set by the company. This makes employees required to be able to provide achievements regarding the performance produced so that they can be given the opportunity to be given a promotion (Firliana, Harahap, & Sujito, 2023).

The respondents' responses to my indicators were satisfied with the results of the work that I had given to the company, showing the highest score. This shows that the employees of Bank Sumsel Babel KC Prabumulih have tried to provide good work results for the company. Employees

of Bank Sumsel Babel KC Prabumulih provide good work results by being able to provide performance results in accordance with the expectations and targets set by the company. This will have a positive impact on the branch office and the employees themselves with the achievements produced (Dewi, Fikri, & Fitrio, 2019).

The Effect of Punishment on Employee Performance at Bank South Sumatra Babel KC Prabumulih

The results of the analysis obtained in this study show that punishment has a positive and significant effect on employee performance at Bank Sumsel Babel KC Prabumulih so the third hypothesis can be accepted. The results of this study are in line with the results of the research (Liu & Lu, 2023) showing the results that punishment has a positive and significant effect on employee performance.

Respondents' responses to the punishment variable in the company's indicators will provide restrictions on the use of company facilities and infrastructure for employees who are still under supervision showing the lowest value. It is suspected that the company has not provided comprehensive restrictions for employees who are under supervision in using the facilities as well as some company access (Jacoby, 2018). There has been no enforcement regarding access and facilities provided by the company, for example, there has been no prohibition for employees under supervision to access the company's website that can only be accessed by employees, the use of official vehicles that can still be used.

In the company indicators, the rules that must be obeyed by all employees show the highest score (Pawirosumarto, Sarjana, & Gunawan, 2017). This shows that the company has provided clear information to all employees so that they can comply with all the rules and regulations imposed by the company. Bank Sumsel Babel has provided all information regarding the rules and regulations that are enforced as well as prohibitions and penalties for employees who violate all rules imposed by the company.

CONCLUSION

Work motivation has a positive and significant effect on employee performance at Bank Sumsel Babel KC Prabumulih. Rewards have a positive and significant effect on employee performance at Bank Sumsel Babel KC Prabumulih. Punishment has a positive and significant effect on employee performance at Bank Sumsel Babel KC Prabumulih. The findings demonstrate that work motivation, rewards, and even punishment each positively and significantly influence employee performance at Bank Sumsel Babel KC Prabumulih.

REFERENCE

- Bal, H. Ç., & Erkan, Ç. (2019). Industry 4.0 and Competitiveness. *Procedia Computer Science*, 158, 625–631. Retrieved from <https://doi.org/10.1016/j.procs.2019.09.096>
- Dewi, P., Fikri, K., & Fitrio, T. (2019). The Effect of Work Motivation on Employees' Performance Mediated by Job Satisfaction at Pt. Bank Rakyat Indonesia TBK Rengat Branch Office. *International Journal of Scientific Research and Management*, 7(09), 1344–1358.

- Firliana, D., Harahap, P., & Sujito, S. (2023). The Influence Of Employee Competence, Commitment And Promotion On Work Achievement With Motivation As A Mediation Variable. *International Journal of Social and Management Studies*, 4(5), 92–101.
- Jacoby, S. M. (2018). The embedded corporation: Corporate governance and employment relations in Japan and the United States.
- Jung, Y., Kim, J., Kim, S., & Kim, Y. (2023). Reward Function Design for Stand-Off Tracking of Reinforcement Learning. In *AIAA SCITECH 2023 Forum* (p. 1440).
- Kuranchie-Mensah, E. B., & Amponsah-Tawiah, K. (2016). Employee motivation and work performance: A comparative study of mining companies in Ghana. *Journal of Industrial Engineering and Management (JIEM)*, 9(2), 255–309.
- Liu, B., & Lu, J. (2023). Optimal orchestration of rewards and punishments in rank-order contests. *Journal of Economic Theory*, 208, 105594. Retrieved from <https://doi.org/10.1016/j.jet.2022.105594>
- Narkunienė, J., & Ulbinaitė, A. (2018). Comparative analysis of company performance evaluation methods. *Entrepreneurship and Sustainability Issues*, 6(1), 125–138.
- Njanja, L. W., Maina, R. N., Kibet, L. K., & Njagi, K. (2013). Effect of reward on employee performance: A case of Kenya Power and Lighting Company Ltd., Nakuru, Kenya.
- Nurfadli, A. (2023). The Influence of the Experiential Marketing Approach on the Decision to Use Products and Services in Bank Syariah Indonesia (BSI) Customers, Abdullah Silondae 2 Branch Office, Kendari City. *International Journal of Management Progress*, 5(2), 78–88.
- Odang, L. M. J., & Harsono, S. (2024). The Influence Of Service Quality, Company Image And Complaint Handling On Loyalty With Satisfaction As Intervening. *Jurnal Ekbis*, 25(1).
- Pawirosumarto, S., Sarjana, P. K., & Gunawan, R. (2017). The effect of work environment, leadership style, and organizational culture towards job satisfaction and its implication towards employee performance in Parador Hotels and Resorts, Indonesia. *International Journal of Law and Management*, 59(6), 1337–1358.
- Pramesti, R. A., Sambul, S. A. P., & Rumawas, W. (2019). Pengaruh reward dan punishment terhadap kinerja karyawan KFC Artha Gading. *Jurnal Administrasi Bisnis (JAB)*, 9(1), 57–63.
- Rajagukguk, H., Ambarita, R., & Hanum, R. (2023a). Pengaruh Reward dan Punishment terhadap Kinerja Pegawai pada Perusahaan Daerah Air Minum (PDAM) Mual Nauli Kabupaten Tapanuli Tengah. *Jurnal Kolaboratif Sains*, 6(3), 230–247.
- Rajagukguk, H., Ambarita, R., & Hanum, R. (2023b). Pengaruh Reward dan Punishment terhadap Kinerja Pegawai pada Perusahaan Daerah Air Minum (PDAM) Mual Nauli Kabupaten Tapanuli Tengah. *Jurnal Kolaboratif Sains*, 6(3), 230–247.
- Saleh, H., Surya, B., Annisa Ahmad, D. N., & Manda, D. (2020). The role of natural and human resources on economic growth and regional development: With discussion of open innovation dynamics. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 103.

-
- Sinambela, E., & Ana, K. R. A. P. R. (2016). Analisis Kinerja Anggaran Pendapatan dan Belanja Daerah Pada Pemerintah Provinsi Sumatera Utara. *Jurnal Riset Akuntansi Dan Bisnis*, 16(1).
- Thao-Vy, P., HUANG, Y.-F., & Manh-Hoang, D. O. (2022). The effect of critical work factors on job motivation and satisfaction: an empirical study from vietnam. *The Journal of Asian Finance, Economics and Business (JAFEB)*, 9(1), 399–408.
- Uripto, C., & Lestari, R. (2023). The Influence of Promotion, Brand Image and Product Quality on Purchasing Decisions Through Consumer Trust in Bata Brand Shoe Outlets Mall Cibubur Junction East Jakarta. *JMKSP (Jurnal Manajemen, Kepemimpinan, Dan Supervisi Pendidikan)*, 8(2), 1310–1324.