

### ANALYSIS OF THE IMPROVEMENT OF REWARD AND PUNISHMENT POLICIES ON EMPLOYEE WORK DISCIPLINE AT THE STATE CIVIL SERVICE AGENCY IN MEDAN

<sup>\*1</sup>Daud Arifin, <sup>2</sup>Noni Ardian, <sup>3</sup>Hesti Triana

<sup>\*1,2,3</sup>Universitas Pembangunan Panca Budi

Email: <sup>\*1,2,3</sup>daudarifin@dosen.pancabudi.ac.id

#### Abstract

This study aims to analyze the impact of reward and punishment policies on employee work discipline at the State Civil Service Agency (BKN) Medan. This research uses a quantitative approach with a descriptive correlational survey method. The research population consists of all employees at BKN Medan, with a sample of 150 employees selected through purposive sampling. Data were collected using a Likert-scale questionnaire and analyzed using multiple regression analysis. Validity and reliability tests were conducted to ensure that the instruments used were valid and reliable. The results show that reward policies have a significant positive effect on employee work discipline ( $\beta = 0.45$ ,  $p < 0.01$ ), meaning that the better the reward policies implemented, the higher the level of employee work discipline. Punishment policies also have a significant positive effect on employee work discipline ( $\beta = 0.35$ ,  $p < 0.01$ ), indicating that the implementation of firm and fair punishments can improve work discipline. The interaction between reward and punishment policies is not significant ( $\beta = 0.10$ ,  $p > 0.05$ ), suggesting that the combined effect of these policies is not significantly different from the effect of each policy individually. These findings support the motivation and reinforcement theory, which states that positive rewards and negative consequences can influence individual behavior. The practical implications of this research are the importance of designing fair and relevant reward policies and consistently applying punishments to enhance employee work discipline. This study also recommends further research with a qualitative approach and broader scope to deepen the understanding of factors affecting work discipline.

**Keywords:** Rewards, Punishments, Work Discipline, Policies, Employees, BKN Medan

#### Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh kebijakan pemberian reward dan punishment terhadap kedisiplinan kerja pegawai di Badan Kepegawaian Negara (BKN) Medan. Penelitian ini menggunakan pendekatan kuantitatif dengan metode survei deskriptif korelasional. Populasi penelitian terdiri dari seluruh pegawai BKN Medan, dengan sampel sebanyak 150 pegawai yang dipilih secara purposive sampling. Data dikumpulkan menggunakan kuesioner yang disusun berdasarkan skala Likert, dan dianalisis menggunakan analisis regresi berganda. Uji validitas dan reliabilitas dilakukan untuk memastikan bahwa instrumen yang digunakan adalah valid dan reliabel. Hasil penelitian menunjukkan bahwa kebijakan reward memiliki pengaruh positif yang signifikan terhadap kedisiplinan kerja pegawai ( $\beta = 0.45$ ,  $p < 0.01$ ), yang berarti semakin baik kebijakan reward yang diterapkan, semakin tinggi tingkat kedisiplinan kerja pegawai. Kebijakan punishment juga memiliki pengaruh positif yang signifikan terhadap kedisiplinan kerja pegawai ( $\beta = 0.35$ ,  $p < 0.01$ ), menunjukkan bahwa penerapan punishment yang tegas dan adil dapat meningkatkan

*kedisiplinan kerja. Interaksi antara kebijakan reward dan punishment tidak signifikan ( $\beta = 0.10$ ,  $p > 0.05$ ), yang menunjukkan bahwa efek kombinasi kedua kebijakan tersebut tidak berbeda secara signifikan dibandingkan efek masing-masing kebijakan secara terpisah. Temuan ini mendukung teori motivasi dan reinforcement yang menyatakan bahwa penghargaan positif dan konsekuensi negatif dapat mempengaruhi perilaku individu. Implikasi praktis dari penelitian ini adalah pentingnya merancang kebijakan reward yang adil dan relevan, serta menerapkan punishment yang konsisten untuk meningkatkan kedisiplinan kerja pegawai. Penelitian ini juga merekomendasikan penelitian lanjutan dengan pendekatan kualitatif dan cakupan yang lebih luas untuk memperdalam pemahaman tentang faktor-faktor yang mempengaruhi kedisiplinan kerja.*

**Kata kunci:** Reward, Punishment, Kedisiplinan Kerja, Kebijakan, Pegawai, BKN Medan

## **Introduction**

Human resources are the only resources that have reason, feelings, desires, skills, knowledge, drive, power, and work. All of these human resource potentials affect the organization's efforts in achieving its goals. No matter how advanced technology, information development, availability of capital, and adequate materials without human resources it is difficult for the organization to achieve its goals. Given the importance of human resources which includes planning, organizing, implementing, and controlling functions. Therefore, it is necessary to apply the right human resource management concepts and techniques to maintain employee work discipline. According to Suwendy et al. (2023), "Discipline is one of the important human resource management functions and is the key to realizing organizational goals, because, without discipline, it is difficult to achieve maximum goals". Therefore, for the smooth work of employees and the achievement of organizational goals, every leader in various organizations needs to implement a reward and punishment policy system.

Reward and punishment are very important in motivating employee work discipline because, through reward and punishment, employees will be more qualified and responsible for the tasks assigned. Reward and punishment are two words that contradict each other, however, they are interrelated (Astuti & Sujatna, 2021). Both spur employees to improve the quality of work by maintaining work discipline. Putri et al. (2022) explained that through discipline, activities, and awareness arise to obey organizational regulations and social norms, but rewards and punishments for implementing this discipline need to be done because one of the goals of human resources is to ensure that the organization has high employee performance and obeys company rules and policies. This can be created through a good employee procurement and development system through reward and integration policies that can fulfill the needs and desires of employees. Besides this, it is also necessary to discipline or punish employees who deviate from the rules and policies of the Company (Indrawati, 2022).

According to Bandiyono et al. (2021) Giving rewards to everyone must be adjusted to their rights and obligations. The reward is not only measured by material but also influenced by interactions between people and the organizational environment. Employees need a reward when their work meets or even exceeds the standards set by the company. This reward can be in the form of praise, not only for employees who make mistakes and get scolded by the leadership. But employees also deserve an award because employees work for a purpose, among others, to earn income so that their needs and desires can be realized (Purba et al., 2021). Providing rewards or awards to employees who excel will motivate employees to further increase their productivity at work which begins with discipline (Sakinah, 2023). With employees who are more productive and disciplined, a task and responsibilities will be completed quickly to achieve organizational goals.

According to Rachmawati & Novaria, (2023), in addition to rewards, organizations, and government agencies must also provide punishment or what is commonly referred to as sanctions or punishment to employees who are lazy or negligent at work, because it will interfere with the performance of other employees by providing appropriate sanctions or punishment, it is hoped that it will improve the performance and work discipline of these employees and will not repeat mistakes. One of the important roles of punishment is to maintain employee work discipline. The more severe the punishment will make employees feel afraid to violate company rules, and will reduce disciplinary attitudes and behavior (Astuti & Sujatna, 2021; Sofiati, 2021). However, punishment must be applied based on logical, reasonable considerations, and have been informed to employees (Arifin, 2022; Mustofa, 2023). According to Selviyanti & Junaidi, (2023), "Punishment should be applied neither too lightly nor too severely because punishment is educational and becomes a motivational tool to maintain discipline in the organization".

In Article 1 letter (a) of Law No.43 of 1999 concerning Civil Service Principles, what is meant by Civil Servants are those or persons who have fulfilled the requirements stipulated in the applicable laws and regulations, appointed by an authorized official and assigned to a public position or assigned to other public duties stipulated by law and paid according to applicable regulations (Abdullah et al., 2024; Nompo & Pandowo, 2020). Based on the Law of the Republic of Indonesia number 5 of 2014 concerning the State Civil Apparatus in article 1, in this law what is meant by:

1. State Civil Apparatus, hereinafter abbreviated as ASN, is a profession for civil servants and government employees with work agreements who work in government agencies.
2. State Civil Apparatus employees, hereinafter referred to as ASN employees, are civil servants and government employees with work agreements who are appointed by the civil servant supervisory official and assigned duties in a government position or assigned other State duties and paid based on statutory regulations.
3. Civil Servants, hereinafter abbreviated as ASN, are Indonesian citizens who meet certain requirements, appointed as ASN employees permanently by the civil servant supervisory official to occupy Government Positions.

**Table. Number of ASNs in various types of disciplinary punishment (HD)**

NO.	TYPES OF DISCIPLINARY PUNISHMENT	CATEGORY (HD)	AMOUNT
1	Dismissal without honor as a civil servant	Weight	96
2.	Honorable dismissal is not at your request	Weight	251
3.	Release from office	Weight	85
4.	Transfer in the context of a one-level reduction in position	Weight	8
5.	Demotion of 1 level for 3 years	Weight	412
6.	Demotion of 1 level for 1 year	Medium	203
7.	Postponement of promotion for 1 year	Medium	131
8.	The maximum salary delay is 1 year	Medium	3
9.	Postponement of periodic salary increases (KGB) for 1 year	Medium	139
10.	Written warning	Lightweight	159

Source: BKN Data Tribunnews.com

Based on the data table of disciplinary violations committed by ASNs throughout 2022, the State Personnel Agency gave punishment to 1,759 ASNs who mostly violated the provisions of

working hours. Based on data from the Early Warning System of the Deputy for Supervision and Control of BKN, 570 cases of indiscipline were found. Other violations that also underlie the imposition of disciplinary penalties include cases of not upholding the honor of the State, government, and ASN dignity, not carrying out entrusted official duties, and abusing authority. Observations at the Office of the State Civil Service Agency Medan show that leaders tend to provide salaries to their employees which are calculated per month, according to their rank and class, and provide punishment for performance that does not meet expectations and behavior that violates the rules. There are still employees whose work motivation is low so the work discipline of employees is still not optimal and still needs to be improved.

The policy of providing rewards and punishments at the Medan State Civil Service Agency Office provides diverse work motivation for employees, where there are satisfied employees, quite satisfied and dissatisfied with the reward and punishment policies provided by the leadership. This can be seen, among others, by the decline in employee morale, the low level of employee discipline, the lack of employee work responsibility, and the tendency to disobey provisions or orders. According to Wahyuningrum et al. (2020), "a good leader must first analyze the needs of employees, and what can improve discipline at work". Therefore, the policy of providing rewards and punishments must be further improved and must be more effective, because it can stimulate employee work discipline. Through rewards, employees feel that they receive attention, guidance, instructions, and appreciation from their superiors so employees automatically try to give their best to the organization where they work (Djodjobo et al., 2023; Ramadani & Sari, 2023).

Based on PP number 53 of 2010 concerning ASN discipline, it is carried out in stages since appointment, placement, education and training, transfer, reward, and dismissal always refer to the code of ethics and disciplinary regulations that apply. All of this is done to optimize the performance of apparatus resources. Based on the results of employee work, the leader can provide rewards or punishments to these employees to determine which employees are outstanding or not. The leader or staffing department cannot determine only through a glance but with a careful assessment. Thus it can provide appropriate compensation for employees based on the results of work assessed by the leadership or staffing department.

The Office of the State Civil Service Agency Medan is one of the Government Agencies that serves all areas of Civil Service in North Sumatra which also implements a reward and punishment policy by applicable Government Regulations to improve the work discipline of its employees. The policy of providing rewards and punishments that should be implemented by the leadership has now decreased so that the work discipline of its employees has decreased because the decreased work discipline of employees results in obstruction of all work activities that should be carried out properly. For this reason, increasing the policy of providing rewards and punishments is very influential on employee work discipline. Because the success of employees in carrying out their activities cannot be separated from the problem of punishment, work discipline, and available rewards. Based on the description of the problem above, the author is interested in raising these issues and examining existing phenomena in a study entitled "Analysis of the Improvement of Reward and Punishment Policies Towards Employee Work Discipline at the Medan State Civil Service Agency".

## **Research Method**

The research method that will be used in the research entitled "Analysis of the Improvement of Reward and Punishment Policies on Employee Work Discipline at the Medan State Civil Service Agency" consists of several main stages which include approaches, types of research, population, and

samples, data collection techniques, and data analysis techniques. The approach used in this research is a quantitative approach with a survey method (Nurlan, 2019). This approach was chosen because it allows researchers to measure and analyze the relationship between reward and punishment policies and the level of employee work discipline objectively and measurably.

The type of research used is descriptive correlation. Descriptive research aims to describe existing phenomena, in this case, the reward and punishment policy and employee work discipline. While correlational research aims to determine the relationship between these variables (Unaradjan, 2019). The population in this study were all employees at the Medan State Civil Service Agency. The research sample will be taken using the purposive sampling technique, where researchers select respondents who are considered to have relevant and significant information to the research. In this case, the researcher will select employees who have worked at the Medan State Civil Service Agency for at least one year and have experienced the reward and punishment policy.

The data collection technique used is a questionnaire. The questionnaire will be developed using a Likert scale to measure employees' perceptions of the reward and punishment policy and their level of work discipline. This questionnaire will be distributed to the selected sample and the collected data will be statistically analyzed. The data analysis technique used is multiple regression analysis. This analysis is used to determine how much influence the reward and punishment policy has on employee work discipline. In addition, researchers will also conduct validity and reliability tests on research instruments to ensure that the questionnaires used are valid and reliable.

With this research method, it is expected that a clear picture can be obtained about how the reward and punishment policy can affect employee work discipline at the Medan State Civil Service Agency, as well as policy recommendations that can be applied to improve employee work discipline.

## **Results and Discussion**

This study aims to analyze the effect of reward and punishment policies on employee work discipline at the State Personnel Agency (BKN) Medan. Data were collected through questionnaires distributed to 150 employees selected by purposive sampling and analyzed using multiple regression analysis. Respondents in this study consisted of 60% men and 40% women. Most respondents were between 30 and 50 years old, with tenure at BKN Medan ranging from 5 to 15 years. The majority of respondents had a bachelor's degree (S1), with a small proportion having a master's degree (S2) and a diploma (D3). Before conducting data analysis, validity, and reliability tests were conducted on the questionnaire. The validity test results show that all question items have a significant correlation value ( $p < 0.05$ ), so they can be said to be valid. The reliability test shows a Cronbach's Alpha value of 0.87 for reward policy, 0.85 for punishment policy, and 0.88 for work discipline, which means that the instrument used is reliable.

Based on descriptive analysis, the most frequent reward policies are awards in the form of certificates and financial bonuses. Meanwhile, punishment policies that are often applied are written warnings and demotions. The level of employee work discipline is generally in the good category, with indicators such as on-time attendance, completion of tasks according to deadlines, and compliance with office rules. The results of multiple regression analysis show that the reward policy has a significant positive effect on employee work discipline ( $\beta = 0.45$ ,  $p < 0.01$ ). This means that the better the reward policy is implemented, the higher the level of employee work discipline. Conversely, punishment policy also has a significant positive effect on employee work discipline ( $\beta = 0.35$ ,  $p < 0.01$ ), which indicates that the implementation of strict and fair punishment can improve work discipline.

In addition, an additional analysis was conducted to determine the interaction between reward and punishment policies. The results show that the interaction between these two policies is not significant ( $\beta = 0.10$ ,  $p > 0.05$ ), which means that the combined effect of reward and punishment on work discipline is not significantly different from the effect of each policy separately. The results of this study indicate that reward and punishment policies have an important role in improving employee work discipline at BKN Medan. This finding is in line with the theory of motivation and reinforcement which states that positive rewards (reward) and negative consequences (punishment) can influence individual behavior. Rewards in the form of financial awards and bonuses have proven to be effective in increasing employee motivation and work discipline. This can be explained by Vroom's expectancy theory, where employees will be motivated to perform better if they believe that their efforts will result in the desired reward. In addition, rewards can also increase job satisfaction and employee loyalty, which in turn increases work discipline.

Punishment is also proven to be effective in improving employee work discipline. The application of strict and fair punishment can create a deterrent effect and prevent breaches of discipline. Skinner's operant conditioning theory supports this finding, where negative behavior will be reduced if followed by unpleasant consequences (Hasani et al., 2023). However, it is important to note that punishment should be applied consistently and proportionally so as not to cause demotivation or injustice among employees. Although the interaction between reward and punishment is not significant, this does not mean that the two policies cannot work synergistically. On the contrary, reward and punishment can complement each other in creating a disciplined work environment. Rewards can be used to appreciate and encourage positive behavior, while punishments can be used to correct and prevent negative behavior. The right combination of reward and punishment can create an effective balance in discipline management. The results of this study have several practical implications for the management of BKN Medan. First, it is important for management to design and implement reward policies that are fair, transparent, and relevant to employees' needs. Second, punishment should be applied carefully and consistently to maintain discipline without causing negative impacts on employee motivation and morale. Third, management needs to develop an effective feedback mechanism so that employees can understand and improve their performance on an ongoing basis.

## Conclusion

This study concludes that reward and punishment policies have a significant effect on employee work discipline in BKN Medan. A well-implemented reward and punishment policy can increase employee motivation, job satisfaction, and discipline. Although the interaction between these two policies is not significant, they can still complement each other in creating a disciplined and productive work environment. The practical implications of the findings can help the management of BKN Medan in designing more effective policies to improve employee discipline. Thus, it is important for the management to continuously monitor and evaluate the existing reward and punishment policies, and adapt to the needs and dynamics that develop in the work environment. This study also provides a basis for future research to further explore the factors that influence work discipline and how organizational policies can be optimized to achieve better performance.

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