

The Effect of Rewards and Punishments on Operator Performance at Pt Bukit Asam Kreatif

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Abstract

This research was conducted with the aim of determining the influence of reward and punishment on the performance of operators at PT Bukit Asam Kreatif. The population in this study is all operators at PT Bukit Asam Kreatif in 2024 as many as 370 operators. The sample used in this study was 150 respondents using the purposive sampling method. The results of multiple linear regression analysis show that rewards have a positive and significant effect on operator performance. Punishment has a positive and significant effect on the performance of Reward operators, the giving of prizes and bonus payments to employees who can meet the target and even exceed the set target must be appropriate, fair and transparent. The provision of this punishment is given fairly to all employees.

Keywords: Reward, Punishment, Operator Performance

INTRODUCTION

Employees and agencies or organizations are two things that cannot be separated. Employees play a major role in carrying out activities within the organization. Meanwhile, agencies are a forum or place for employees to carry out their daily activities. An agency urgently needs to make employees the best partners in achieving the expected goals. On the other hand, employees will try to provide their best performance to help the agency achieve its goals. The best achievement that employees can give to the agency can be in the form of satisfactory performance. In addition to being considered an achievement, good and satisfactory employee performance can also describe the success of the agency in achieving its goals (Nuraidah, 2021).

A common problem that companies often face in achieving their goals is poor employee performance. Employee performance is a very important factor in running an organization's business to achieve its goals. Performance is the result achieved by employees in their work according to certain criteria that apply to a job (Robbins & Judge, 2016). The results of work that can be achieved by a person or a group of people in the organization, in accordance with their respective authorities and responsibilities, are efforts to achieve the goals of the organization concerned legally, without violating laws, and in accordance with morals and ethics.

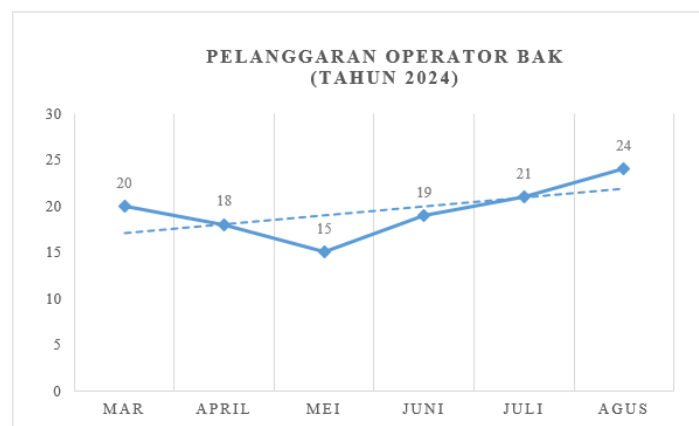
The Effect of Rewards and Punishments on Operator Performance at Pt Bukit Asam Kreatif

PT Bukit Asam Kreatif (BAK) is a limited liability company where one of its businesses collaborates with PT Bukit Asam, Tbk for the fulfillment of heavy equipment operators at the mine site located in Tanjung Enim, Muara Enim Regency, South Sumatra. As a labor provider company, human resources are the most decisive factor in achieving organizational goals. The labor business of providing labor, especially in the coal mining environment, is currently very attractive, especially with coal prices rising quite significantly after *Covid-19*.

Coal mining companies continue to expand, so many need operator labor. This is also felt by PT Bukit Asam Kreatif (BAK), where the demand for labor is quite high, but many employees have also resigned and only used the workplace as a stepping stone before moving to a new job. Therefore, to maintain its business, PT Bukit Asam Kreatif must have highly competent and professional human resources. This will be achieved through improvements in various aspects, including economic, cultural, and intellectual aspects.

In the management control system, this is related to the control of results. *Outcome control* means involving rewarding employees for satisfactory results. That is why it is necessary to give appreciation for employee performance so that they are more enthusiastic about working and contributing to the company's progress. One of the HR management controls carried out by PT BAK is the provision of rewards and punishments; this is expected not only to improve operator performance but also to increase the sense of belonging to the company so that employees will be loyal to the company.

Based on the HR management control program provided by PT Bukit Asam Kreatif (PT BAK) with the provision of rewards and punishments, it is hoped that the right employees will get the right job at the right time. Thus, it is expected to obtain professional and competent employees in accordance with the demands of the right position or reliable competency-based human resources (*competence based on human resources management = CBHRM*), who have superior competitiveness in anticipating every change that occurs. Sourced from the data of the 2024 monthly report on 370 operators of PT Bukit Asam Kreatif, violations were found which are trending in increasing numbers according to the following graph:



Source: Internal Data, 2025

Figure 1.1. Number of BAK Operator Violations

Based on the phenomenon that occurred at PT Bukit Asam Kreatif in the HR management control program, the provision of rewards and punishments carried out plays a fairly important role in ensuring the existence of operator performance. Even though the rewards and punishments given have been implemented by the company, some employees remain dissatisfied, and their performance does not improve significantly.

Employee performance is a critical factor in organizational success, and various strategies, including rewards and punishments, have been explored to enhance it. Previous studies, such as those by Robbins & Judge (2016) and Nuraidah (2021), emphasize that satisfactory employee performance reflects organizational achievement. Research by Baucus (2020) and Brewer & Walker (2022) further highlights the dual role of rewards and punishments in shaping employee behavior, with rewards fostering motivation and punishments deterring misconduct. However, despite extensive literature on this topic, inconsistencies remain regarding the effectiveness of these strategies across different industries and cultural contexts, particularly in labor-intensive sectors like mining.

A significant research gap exists in understanding the specific impact of rewards and punishments on operator performance in high-risk environments such as coal mining. While studies like those by Wei & Wang (2022) and Liu & Lu (2023) have examined these effects in corporate settings, few focus on operational roles where physical and psychological stressors are prevalent. PT Bukit Asam Kreatif (BAK), a labor provider in Indonesia's coal mining sector, faces challenges such as high turnover and declining performance, underscoring the urgency of this study. The increasing trend of violations among operators, as shown in internal company data, further justifies the need to reevaluate existing reward and punishment systems.

The novelty of this research lies in its context-specific approach, targeting operators in a high-stakes industry where performance directly impacts safety and productivity. Unlike previous studies that generalize across sectors, this study addresses unique workplace dynamics, such as the interplay between environmental discomfort and employee morale. Additionally, it incorporates recent findings from Jung (2023) and Onyekwere (2023), which advocate for tailored reward systems, while also exploring punitive measures' psychological effects, as suggested by Nagy & Bencsik (2021). This dual focus provides a comprehensive view of how these mechanisms function in a demanding operational environment.

The purpose of this study is to analyze the influence of rewards and punishments on operator performance at PT BAK, using a sample of 150 operators. By employing purposive sampling and multiple linear regression analysis, the research aims to identify which strategies yield the most significant performance improvements. The study seeks to contribute empirical evidence to the HR management literature, particularly in labor-intensive industries, and offer actionable insights for companies facing similar challenges. Its findings could help refine existing policies to better align with employee needs and organizational goals.

The implications of this research are twofold: practical and theoretical. For practitioners, the results can guide PT BAK and similar firms in designing fair, transparent, and effective reward-

The Effect of Rewards and Punishments on Operator Performance at Pt Bukit Asam Kreatif

punishment systems to enhance operator performance and reduce turnover. Theoretically, the study enriches the discourse on behavioral management by contextualizing rewards and punishments within a high-risk industry. By bridging the gap between generic HR theories and industry-specific applications, this research underscores the importance of adaptive management strategies in achieving sustainable organizational success.

RESEARCH METHODS

The population in this study consists of all operators at PT Bukit Asam Kreatif in 2024, totaling 370 operators. Sample selection was carried out using a nonprobability sampling technique, namely the purposive sampling method. Nonprobability sampling with the purposive sampling method is a sample extraction technique that does not provide the same opportunity or chance for each element of the population to be selected as a sample. The sample in this study includes all operators of PT Bukit Asam Kreatif who meet the following criteria:

1. Operators who have worked for at least 2 years at PT Bukit Asam Kreatif.
2. Operators who are still working and have active status as employees of PT Bukit Asam Kreatif in 2025.

The guidelines for sample measurement according to (Hair, 2010) can be determined as follows:

1. It depends on the number of parameters estimated. The guideline is 5–10 times the estimated number of parameters.
2. The number of statements used corresponds to the number of items. Thus, the number of samples used in this study has a minimum limit of respondents amounting to $30 \text{ items} \times 5 = 150$, while the maximum limit is $30 \text{ items} \times 10 = 300$. Therefore, the respondents selected are 150. This number is considered sufficiently representative of the population to be studied because it meets the maximum limit of the research sample.

Primary data in this study were collected through a data collection method using a questionnaire distributed to 150 operators at PT Bukit Asam Kreatif in 2022. The questionnaire contains statements related to the *reward* and *punishment* variables on the performance of operators at PT Bukit Asam Kreatif.

RESULT AND DISCUSSION

- 1) The value of the reward variable (X1) is 9.189 and the significance value is 0.000, then the value of $>$ is $(9.189 > 1.976)$ or the value (Sig.) is $0.000 < 0.05$. This means that rewards have a significant effect on the performance of operators at PT Bukit Asam Kreatif. This proves that the first hypothesis of a positive and significant reward is acceptable. $t_{hitung} > t_{tabel}$
- 2) The value of the punishment variable (X2) is 7.554 and the significance value is 0.000, then the $>$ value is $(7.554 > 1.976)$ or the value (Sig.) is $0.001 < 0.05$. This means that punishment has a significant effect on the performance of the operator at PT Bukit Asam Kreatif. This proves that the hypothesis of the second punishment has a positive and significant effect is acceptable. $t_{hitung} > t_{tabel}$

The Effect of *Rewards* on Operator Performance at PT Bukit Asam Kreatif

The results of the analysis obtained in this study show that rewards have a positive and significant effect on operator performance so that the first hypothesis can be accepted. The results of this study are in line with the results of research from (Jung, 2023); (Liu & Lu, 2023); (Onyekwere, 2023); (Lisdayanti et al., 2023); (Herlina & Ambarita, 2023); (Mapparenta, 2022); (Brewer & Walker, 2022); (Wei & Wang, 2022); (Gentari & Sunaryo, 2022); (Koencoro, 2022); (Mahardhika, 2022); (Arifin, 2022); (Rismawati, 2022); (Basyari & Kuswinarno, 2022); (Arifuddin, 2022); (T. P. Sari, 2022); (Steel & Silson, 2021); (Nagy & Bencsik, 2021); (Baucus, 2020); (Steel & Baker, 2020); (Griffiths & Beierholm, 2022); (Handika & Agustian, 2022); (Suak, 2022); (Goni, 2022); (Ratri, 2022); (Riansyah, 2021); (Surya et al., 2019); (Ngwa, 2019); (Pramesti, 2019); (Panekenan, 2019); (Sri, 2018); (Wirawan & Afani, 2018) which shows that *reward* have a positive and significant effect on employee performance.

Based on respondents' responses to indicators on indicators of an adequate work environment and mutual support between fellow employees, the lowest value was shown. It is suspected that several operators at PT Bukit Asam Kreatif said that their current work environment is not comfortable which includes colleagues, work culture and several other factors. The operator said that there was a bad relationship between fellow employees and between superiors and employees. Conditions like this greatly affect the performance of each employee himself, especially for employees which results in an impact on the work results produced by employees. Where employees feel uncomfortable with a bad work environment and where some employees are considered less professional in carrying out their work, especially those related to other employees who are having less harmonious relationships.

Respondents' responses to my indicators always achieve the targets set by the company showing the highest score. This shows that the operators at PT Bukit Asam Kreatif always try to be able to meet the targets set by the company. Several employees met by the author said that with the many targets set, employees will always try to provide achievements that are in accordance with the stipulations and even exceed the target even though it is not easy to achieve these targets.

The Effect of *Punishment* on Operator Performance at PT Bukit Asam Kreatif

The results of the analysis obtained in this study show that punishment has a positive and significant effect on employee performance so that the second hypothesis is acceptable. The results of this study are in line with the results of research from (Liu & Lu, 2023); (Onyekwere, 2023); (Lisdayanti et al., 2023); (Herlina & Ambarita, 2023); (Brewer & Walker, 2022); (Wei & Wang, 2022); (Gentari & Sunaryo, 2022); (Koencoro, 2022); (Mahardhika, 2022); (Arifin, 2022); (Rismawati, 2022); (Basyari & Kuswinarno, 2022); (Arifuddin, 2022); (T. P. Sari, 2022); (Steel & Silson, 2021); (Nagy & Bencsik, 2021); (Baucus, 2020); (Steel & Baker, 2020); (Griffiths & Beierholm, 2022); (Handika & Agustian, 2022); (Suak, 2022); (Goni, 2022); (Adityarini, 2022); (S. S. M. Sari, 2021); (Pramesti, 2019); (Panekenan, 2019); (Sri, 2018); (Wirawan & Afani, 2018) shows the results that *punishment* have a positive and significant effect on employee performance.

The Effect of Rewards and Punishments on Operator Performance at Pt Bukit Asam Kreatif

Based on respondents' responses to the indicators, the company forces all employees to comply with all existing regulations, showing the lowest value indicates the lowest value. All regulations that have been set by the company have been given to all employees to be able to comply with all prohibitions, responsibilities as employees, responsibilities regarding the position given. Employees have been informed clearly and in detail if employees violate the regulations that are enforced, then employees also know about the consequences of the prohibition. So the regulations stipulated are not in the sense of coercion, but obligations that must be obeyed as employees in the company to provide good performance and maintain the company's image among the public.

The company's response to the respondent provides a code of conduct that must be obeyed by all employees, showing the highest value, indicating the highest value. This shows that PT Bukit Asam Kreatif has provided information about the rules imposed in the company. Employee attitudes must be able to obey these regulations in order to provide a good attitude towards themselves and the company and maintain the company's image and good name among the general public.

CONCLUSION

Rewards have a positive and significant effect on the performance of operators at PT Bukit Asam Kreatif. *Punishment* also has a positive and significant effect on the performance of operators at PT Bukit Asam Kreatif.

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The Effect of Rewards and Punishments on Operator Performance at Pt Bukit Asam Kreatif

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