



Work Environment, Rewards, Punishment, and Employee Performance

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ABSTRACT

This study addresses inconsistencies in prior findings regarding the role of punishment in influencing employee performance, particularly within the Indonesian pharmaceutical distribution sector. The objective of this study is to analyze the effect of work environment, rewards, and punishment on employee performance at PT Bina San Prima Denpasar Branch. A quantitative approach was employed using a sample of 52 employees selected through proportionate stratified random sampling based on the Slovin formula. Data were collected using a structured questionnaire with a Likert scale (1–5) and analyzed using multiple linear regression with SPSS. The results show that work environment, rewards, and punishment simultaneously have a positive and significant effect on employee performance. Partially, the work environment and reward variables have a positive and significant effect, while punishment has a negative and insignificant effect. This study contributes to the integration of Goal Setting Theory and Operant Conditioning Theory by highlighting that positive reinforcement (rewards) is more effective than punitive mechanisms in improving performance. These findings suggest that organizations should prioritize supportive work environments and fair reward systems rather than relying heavily on punishment mechanisms.

INTRODUCTION

Human resources are the most important asset in an organization because the success of a company depends heavily on the ability of employees to carry out tasks and responsibilities optimally (Magdalena, et al., 2025). One of the efforts that companies can make to improve employee performance is through the creation of a conducive work environment and the implementation of the right reward and punishment system (Yuniantari, et al., 2025). This is in line with Goal Setting Theory which emphasizes that clear work goals, monitoring, and feedback can improve employee motivation and performance. Empirical phenomena show that the performance of employees of PT Bina San Prima Denpasar Branch has not reached the sales target set by the company, thus indicating that employee productivity has not been optimal. In addition, the condition of the work environment still shows several problems such as inadequate lighting, suboptimal air circulation, and incomplete work safety facilities. In terms of rewards, the reward system is considered not to be completely fair and not proportional to

the employee's workload, while the implementation of punishment is considered to focus more on work results than work processes so that it has the potential to reduce motivation.

However, prior studies on punishment show inconsistent results. Some studies report a positive effect of punishment on employee performance, while others find insignificant or even negative effects. This inconsistency indicates a research gap that requires further investigation, particularly in specific organizational and cultural contexts such as the Indonesian pharmaceutical distribution industry. Furthermore, limited studies have simultaneously examined work environment, rewards, and punishment within a single integrated model in this sector. Therefore, this study aims to fill this gap by providing empirical evidence and theoretical integration in explaining employee performance determinants.

LITERATURE REVIEW

Goal Setting Theory

Goal Setting Theory, introduced by Edwin Locke (1968), explains that individual performance is influenced by the clarity, specificity, and difficulty level of goals. According to Locke and Latham (2002), clearly defined and challenging goals, accompanied by feedback, enhance motivation, persistence, and performance outcomes.

However, goal achievement is not solely determined by goal clarity. Organizational factors such as work environment conditions and reinforcement mechanisms (rewards and punishment) play an essential role in supporting employees in achieving these goals. Therefore, Goal Setting Theory provides a relevant framework for understanding how organizational practices influence employee performance.

Operant Conditioning Theory

Conditioning Theory proposed by B. F. Skinner (1953) explains that behavior is shaped through reinforcement mechanisms. Positive reinforcement, such as rewards, increases the likelihood of desired behavior being repeated, while punishment is used to reduce undesirable behavior.

Although punishment is expected to improve discipline, empirical evidence suggests that its effectiveness in enhancing performance is inconsistent. Podsakoff et al. (2006) argue that punishment may generate negative emotional responses such as stress and dissatisfaction, which can reduce motivation. Thus, punishment may function more as a control mechanism rather than a direct driver of performance improvement.

Employee Performance

Employee performance refers to the level of achievement in completing tasks based on organizational standards, both in terms of quality and quantity (Malayu S.P. Hasibuan, 2021). From a broader perspective, performance is a multidimensional construct influenced by individual abilities, motivation, and organizational support (Campbell, 1990). Organizational factors such as work environment, reward systems, and disciplinary practices significantly shape employee behavior and performance outcomes.

Work Environment and Employee Performance

The work environment consists of both physical and non-physical aspects that influence employee comfort, safety, and productivity. Physical aspects include lighting, temperature, ventilation, and workspace design, while non-physical aspects involve interpersonal relationships, organizational culture, and psychological safety.

Previous studies consistently indicate that a supportive work environment has a positive and significant effect on employee performance (Dul & Ceylan, 2011; Chandrasekar, 2011). A conducive environment enhances concentration, reduces fatigue, and improves overall work efficiency. However, most prior studies focus primarily on physical aspects, while psychological and social dimensions are often underexplored. This limitation highlights the need to examine work environment more comprehensively, particularly in specific organizational contexts such as the pharmaceutical distribution industry.

Rewards and Employee Performance

Rewards are defined as financial and non-financial incentives provided by organizations to recognize employee contributions and achievements (Armstrong, 2012). Rewards function as positive reinforcement that motivates employees to perform better and achieve organizational goals. Empirical studies show that rewards have a significant positive effect on employee performance (Gerhart & Fang, 2015). However, the effectiveness of rewards is influenced by employees' perceptions of fairness and equity, as explained in Equity Theory (Adams, 1965). When rewards are perceived as fair and aligned with employee expectations, they enhance motivation and performance. Conversely, perceived unfairness may reduce motivation and lead to dissatisfaction.

Punishment and Employee Performance

Punishment refers to sanctions imposed on employees to correct undesirable behavior and maintain organizational discipline. In theory, punishment is expected to reduce inappropriate behavior and improve compliance with organizational rules. However, empirical findings regarding punishment are inconsistent. Some studies report a positive effect on discipline, while others find negative or insignificant relationships with employee performance (Podsakoff et al., 2006; Ball et al., 2017). Punishment may create psychological pressure, fear, and stress, which can reduce intrinsic motivation and job satisfaction. Therefore, punishment tends to function as a control mechanism rather than a performance-enhancing tool. Its effectiveness depends on how it is implemented, including fairness, consistency, and proportionality.

Research Gap and Contribution

Based on the literature, several gaps can be identified. First, previous studies show inconsistent findings regarding the effect of punishment on employee performance. Second, there is limited integration of Goal Setting Theory and Operant Conditioning Theory in explaining employee performance. Third, empirical studies focusing on the pharmaceutical distribution industry in Indonesia remain limited. This study aims to address these gaps by providing an integrated theoretical framework and empirical evidence on the role of work environment, rewards, and punishment in influencing employee performance in an emerging market context.

Conceptual Framework

This study proposes that employee performance is influenced by three main factors: work environment, rewards, and punishment. The work environment provides structural and psychological support, rewards act as positive reinforcement to motivate employees, and punishment serves as a control mechanism to regulate behavior.

Hypotheses Development

- H1: Work environment, rewards, and punishment simultaneously have a significant effect on employee performance.
- H2: Work environment has a positive and significant effect on employee performance.
- H3: Rewards have a positive and significant effect on employee performance.
- H4: Punishment has a significant effect on employee performance.

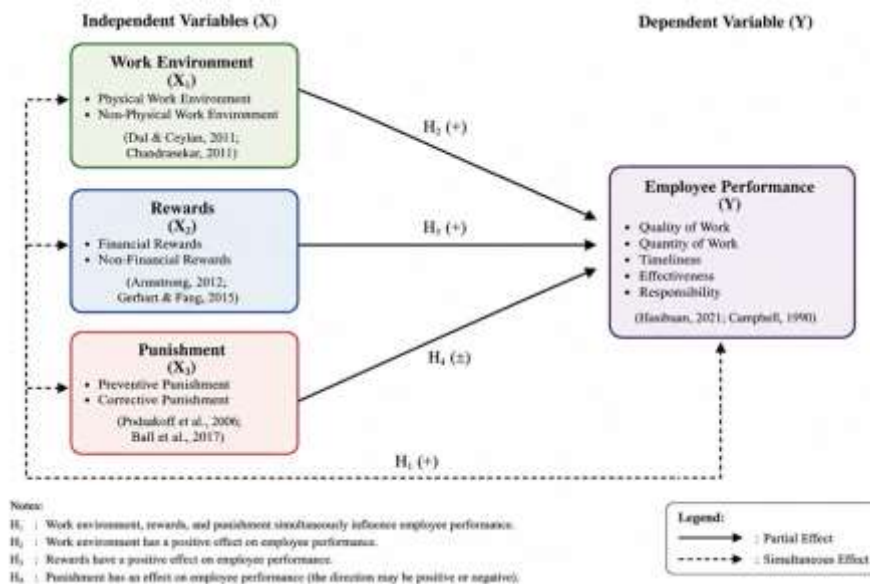


Figure 1. Conceptual Framework

Source: Researcher Processing, 2025

METHOD

This study was conducted at PT Bina San Prima Denpasar Branch, located at Jalan Raya Sesetan No. 369, Denpasar. The object of the study focuses on human resources, particularly employee performance in relation to work environment, rewards, and punishment. The population of this study consisted of all employees of the company, totaling 108 individuals. The sample size was determined using the Slovin formula with a margin of error of 5%, as follows:

$$n = N / (1 + N(e^2))$$

$$n = 108 / (1 + 108(0.05^2))$$

$$n = 108 / (1 + 0.27) = 52 \text{ respondents}$$

Based on this calculation, a total of 52 respondents were selected. The sampling technique used in this study was proportionate stratified random sampling, ensuring that respondents were proportionally distributed across each department within the organization. This approach was chosen to improve the representativeness of the sample. This study employs three independent variables, namely work environment (X₁), rewards (X₂), and punishment (X₃), and one dependent variable, namely employee performance (Y). Employee performance was measured using indicators such as quality of work, quantity of work, punctuality, effectiveness, and independence. Meanwhile, work environment, rewards, and punishment variables were

measured using indicators adapted from relevant theoretical frameworks in human resource management literature. Data used in this study consisted of both quantitative and qualitative data. Primary data were collected through structured questionnaires, supported by interviews and observations. Secondary data were obtained from company documents and relevant literature sources. The measurement of variables was conducted using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Prior to hypothesis testing, the research instruments were evaluated using validity and reliability tests. The validity test was conducted using Pearson correlation with a threshold of $r > 0.30$, while reliability was assessed using Cronbach’s Alpha with a minimum value of 0.60.

Data analysis techniques included descriptive analysis and inferential analysis. Inferential analysis was conducted using multiple linear regression analysis with the assistance of SPSS software. Prior to regression analysis, classical assumption tests were performed, including normality, multicollinearity, and heteroscedasticity tests, to ensure that the regression model met the required assumptions. Hypothesis testing was conducted using the F-test to examine the simultaneous effect of independent variables on employee performance, and the t-test to analyze the partial effect of each independent variable. This quantitative approach is consistent with contemporary management research that empirically examines the relationships between variables (Setini & Putra, 2025).

RESULTS AND DISCUSSION

Respondent Characteristics

Table 1. Recapitulation of Respondent Characteristics

Characteristics	Categories	Frequency (People)	Percentage (%)
Gender	Women	22	42,3
	Male	30	57,7
Total		52	100
Age	< 25 Years	12	23,1
	26 – 35 Years	19	36,5
	36 – 45 Years	19	36,5
	≥ 46 years old	2	3,8
Total		52	100
Final Education	High School/Equivalent	16	30,8
	Diploma I/II/III	13	25,0
	Bachelor (S1)	23	44,2
Total		52	100
Tenure	< 1 Year	2	3,8
	1 – 5 Years	31	59,6
	6 – 10 Years	19	36,5
Total		52	100

Source: Data processed, 2025

The number of respondents to the study was 52 people and was dominated by men (57.7%). Based on age, the majority of respondents were in the range of 26–35 years and 36–45 years (36.5% each), so it was dominated by productive age. In terms of education, most of the respondents had a bachelor's degree (44.2%), followed by high school/equivalent (30.8%) and diploma (25.0%), which showed a relatively good level of education. Based on the working period, the majority of respondents have 1-5 years of work experience (59.6%).

Test Results of Research Instruments

Table 2. Validity Test Results

Yes	Variable	Item	Pearson Correlation	Description
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1	Employee performance (Y)	Y1.1	0,852	Valid
		Y1.2	0,516	Valid
		Y1.3	0,874	Valid
		Y1.4	0,543	Valid
		Y1.5	0,631	Valid
2	Work Environment (X1)	X1.1	0,855	Valid
		X1.2	0,696	Valid
		X1.3	0,837	Valid
		X1.4	0,631	Valid
		X1.5	0,499	Valid
3	Reward (X2)	X1.6	0,651	Valid
		X2.1	0,833	Valid
		X2.2	0,428	Valid
		X2.3	0,841	Valid
		X2.4	0,554	Valid
		X2.5	0,586	Valid
		X2.6	0,556	Valid
		X2.7	0,426	Valid
4	Punishment (X3)	X2.8	0,343	Valid
		X3.1	0,890	Valid
		X3.2	0,663	Valid
		X3.3	0,858	Valid
		X3.4	0,453	Valid
		X3.5	0,598	Valid

Source : Data processed, 2025

Table 3, Reliability Test Results

Variable	Cronbach Alpha	Reliability	
		Requirements	Description
		Reliable	
Employee Performance (Y)	0,716	> 0.60	Reliable
Work Environment (X ₁)	0,781	> 0.60	Reliable
Reward (X ₂)	0,718	> 0.60	Reliable
Punishment (X ₃)	0,732	> 0.60	Reliable

Source : Data processed, 2025

Based on Table 1, the results of the validity test show that all statement items on the variables of employee performance, work environment, reward, and punishment have a Pearson correlation value greater than 0.30 so that all indicators are declared valid and suitable for use as research instruments. Furthermore, based on Table 2, the results of the reliability test show that all variables have a Cronbach Alpha value greater than 0.60, so that the research instrument is declared reliable or consistent in measuring the variables studied. Thus, all research instruments have met the requirements for validity and reliability.

Description of Research Variables

Based on the results of the description of the respondents' answers at PT Bina San Prima Denpasar Branch, it shows that the employee performance variable has a total score of 878 with an average score of 3.38 which is included in the category of quite good. The indicator with the highest score was found in the ability of employees to produce work according to operational standards with an average of 3.75, while the lowest score was found in the ability to use time and work resources efficiently with an average of 2.77. Furthermore, the work environment variable obtained a total score of 1067 with an average of 3.42 which is included in the good category, where the work environment lighting indicator has the highest value of 3.75, while the air circulation indicator has the lowest value of 3.12. The reward

variable has a total score of 1409 with an average of 3.39 which is in the fairly good category, with the highest score on the indicator of salary suitability with workload of 3.75 and the lowest score on the indicator of periodic salary increase and praise from the boss of 2.88. Meanwhile, the punishment variable obtained a total score of 883 with an average of 3.39 which is also included in the category of quite good, with the highest score on the verbal reprimand indicator of 3.59 and the lowest score on the incentive cut indicator of 3.21. Overall, these results show that employee performance conditions, work environment, rewards, and punishments in the company have gone quite well, although there are still several aspects that need to be improved to support optimal employee performance improvement.

Classic Assumption Test

Table 4. Kolmogorov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		52
Test Statistic		0,097
Asymp. Sig. (2-tailed) ^c		0.200d

Source : Data processed, 2025

Based on Table 4, it can be seen that the statistical test value is 0.097 with Asymp. Sig (2-tailed) 0.200 is greater than $\alpha = 0.05$. This explains that the regression model already meets the assumption of normality or normally distributed data.

Table 5. Collinearity Statistic Table

Models	'Coefficients' ^a	
	Collinearity Statistics	
	Tolerance	VIVID
1 (Constant)		
Work Environment	0,228	4,386
Reward	0,191	5,228
Punishment	0,121	8,269

Source : Data processed, 2025

Based on Table 5, it can be seen that the calculation results show that there are no independent variables that have a Tolerance value of less than 0.10, which means that there is no correlation between independent variables that have a value of more than 95%. The results of the calculation of the Variance Inflation Factor (VIF) value show that there are no independent variables that have a VIF value of more than 10. Thus, it can be concluded that there is no multicollinearity between free variables in the regression model.

Table 6. Spearman Rho Test Results

		Correlations					
		Employee Performance	Work Environment	Reward	Punishment	abstract	
Spearman's rho	Employee Performance	Correlation	1,000	0.770**	0.740**	0.766**	,051
		Coefficient					
		Sig. (2-tailed)	.	0,000	0,000	0,000	0,720
		N	52	52	52	52	52
Work Environment	Work Environment	Correlation	0.770**	1,000	0.733**	0.735**	-0,060
		Coefficient					
		Sig. (2-tailed)	0,000	.	0,000	0,000	0,671
		N	52	52	52	52	52
Reward	Reward	Correlation	0.740**	0.733**	1,000	0.864**	0,163
		Coefficient					
		Sig. (2-tailed)	0,000	0,000	.	0,000	0,248
		N	52	52	52	52	52
Punishment	Punishment	Correlation	0.766**	0.735**	0.864**	1,000	0,269
		Coefficient					
		Sig. (2-tailed)	0,000	0,000	0,000	.	0,053
		N	52	52	52	52	52

abstract	Correlation Coefficient	0,051	-0,060	0,163	0,269	1,000
	Sig. (2-tailed)	0,720	0,671	0,248	0,053	.
	N	52	52	52	52	52

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data processed, 2025

The heteroscedasticity test was performed using the Spearman Rho test as shown in Table 6. The test results showed that the significance value of the correlation between the absolute residual (abscess) and each independent variable, namely work environment, reward, and punishment, had a significance value greater than 0.05. Thus, it can be concluded that heteroscedasticity does not occur in the regression model, so the regression model used meets the assumption of heteroscedasticity.

Results of Multiple Linear Regression Analysis

Table 7. Results of Multiple Linear Regression Analysis

Models	Coefficient			Standardized Coefficients Beta	t	Sig.
	Unstandardized Coefficients		Std. Error			
	B					
1 (Constant)	-0,004		1,773		-0,002	0,998
Work Environment	0,446		0,154	0,495	2,903	0,006
Reward	0,289		0,142	0,379	2,037	0,047
Punishment	-0,005		0,244	-0,005	-0,020	0,984

a. Dependent Variable: Employee Performance

Source : Data processed, 2025

The results of regression analysis are compiled in the regression equation as follows: $Y = - 0.004 + 0.446 X1 + 0.289 X2 - 0.005 X33$

Table 8. F Test Results on the Anova Table

NEW ERA						
Models		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	461,723	3	153,908	34,268	0.000b
	Residual	215,585	48	4,491		
	Total	677,308	51			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Punishment, Work Environment, Reward

Source: Data processed, 2025

Based on simultaneous hypothesis testing (F test), the significance level was first determined using a confidence degree of 95% or an error rate of 5% ($\alpha = 0.05$), with a numerator-free degree (k) of 3 and a denominator-free degree (n-k-1) of 48 ($52 - 3 - 1$). Based on the provisions in the distribution table F, the F-table value of 2.80 is obtained for F (3; 48). The results of the F-test showed that the F-calculation value of 34.268 was greater than the F-table value of 2.80 with a significance value of 0.000 which was smaller than 0.05. This proves that statistically at the level of significance of 5% of the variables of work environment, reward, and punishment simultaneously have a positive and significant effect on employee performance at PT Bina San Prima Denpasar Branch. Thus, the research model was declared feasible for use for further testing and the first hypothesis (H1) was accepted.

T-test (t-test)

Based on the results of the partial test (t-test) using a confidence degree of 95% or an error rate of 5% ($\alpha = 0.05$) and a degree of freedom (df) of 48 ($52 - 3 - 1$), the t-table value for the double-sided test was obtained of 2.011. The test results showed that the work environment variable had a t-calculated value of 2.093 which was greater than the t-table of 2.011 with a significance value of 0.0006 smaller than 0.05. This proves that statistically at the level of trust of 95% of the work environment has a positive and significant effect on employee performance at PT Bina San Prima Denpasar Branch, so that the second hypothesis (H2) is accepted. Furthermore, the reward variable obtained a t-calculated value of 2.037 which is greater than the t-table of 2.011 with a significance value of 0.047 smaller than 0.05, so it can be concluded that rewards have a positive and significant effect on employee performance, so that the third hypothesis (H3) is accepted. Meanwhile, the punishment variable has a t-calculated value of -0.020 with a significance value of 0.984 which is greater than 0.05, so that it is statistically shown that punishment has a negative and insignificant effect on employee performance, so the fourth hypothesis (H4) is rejected.

DISCUSSION

The Influence of Work Environment, Reward and Punishment on Employee Performance

The work environment, rewards and punishments have a positive and significant effect on employee performance at PT Bina San Prima Denpasar Branch. This means that the better the work environment and the more appropriate the implementation of rewards and punishments, the employee performance will increase. The goal setting theory put forward by Locke and Latham states that clear, specific, and challenging goals will encourage individuals to work more focused so that their performance increases. The work environment, rewards, and punishments play an important role as factors that can strengthen the achievement of these goals. A conducive work environment both physically and psychologically provides support to employees to complete tasks according to the set targets, so that clarity and achievement of work goals are easier to realize. The reward system given for achieving goals is also a motivational trigger, as employees feel their efforts are rewarded and encouraged to achieve higher goals. Instead, punishment applied fairly and proportionately will be a control mechanism so that employees stay within the corridor of the organization's goals, preventing a decrease in discipline that can hinder performance.

The Influence of the Work Environment on Employee Performance

The work environment has a positive and significant effect on employee performance at PT Bina San Prima Denpasar Branch, which means that the better the working environment conditions, the more employee performance will improve. The results of this study are in line with the goal setting theory put forward by Locke and Latham, which states that the achievement of work goals is influenced by conditions that support individuals in carrying out tasks optimally. A conducive work environment, both from physical and non-physical aspects, provides comfort, security, and psychological support for employees so that they can work more focused, motivated, and directed in achieving the targets set by the organization.

The results of this study support the research of Putra & Liana (2024) explaining that the work environment has a positive and significant effect on employee performance. Endang, et al (2023) explained that the work environment has a positive and significant effect on employee performance. This is also in line with the research of Suaib, et al (2024) which explains that the work environment has a positive and significant effect on employee performance and the research of Lazuardi, et al (2025) which concludes that the work environment has a positive and significant effect on employee performance. Furthermore, Aziz, et al (2025) explained that the work environment has a positive and significant effect on employee performance.

The Effect of Rewards on Employee Performance

Rewards have a positive and significant effect on employee performance at PT Bina San Prima Denpasar Branch, so H3 is accepted. These findings are in line with previous research that showed that reward and service quality factors are able to strengthen individual commitment, positive behavior, and work outcomes in organizations (Wiratama et al., 2025). This means that providing the right rewards, both in financial and non-financial forms, can improve employee performance. Rewards or rewards

are one of the important factors that affect employee performance. Rewards function as a form of recognition for employees' contributions and achievements in carrying out their duties. According to Hasibuan (2021), rewards are rewards that organizations give to employees for their work achievements, with the aim of motivating employees to work better in the future. Rewards can be financial (such as salaries, bonuses, or incentives) or non-financial (such as awards, promotions, or compliments). In the perspective of goal setting theory (Locke, 1968), rewards are a reinforcing factor that encourages individuals to strive to achieve the goals that have been set. When a person knows that achieving a certain target will result in rewards, then his motivation and commitment to work will increase. The results of this study support the research of Santoso & Baskoro (2024) that rewards have a positive and significant effect on employee performance. Ma'ruf & Jumadi (2025) explained that rewards have a positive and significant effect on employee performance. This is supported by research by Agustin & Lailla (2025) which explains that rewards have a positive and significant effect on employee performance. Andani and Suprapti (2025) show that rewards have a positive and significant effect on employee performance, and research by Saputra and Kahir (2025) shows that rewards have a positive and significant effect on employee performance.

The Effect of Punishment on Employee Performance

Punishment had a negative and insignificant effect on employee performance at PT Bina San Prima Denpasar Branch, so H4 was rejected. This means that the application of punishment does not have a real impact on the improvement or decrease in employee performance. These results indicate that the application of sanctions or penalties given by companies is not able to encourage real improvement in employee performance. Punishment is a form of external motivation that is corrective, not motivation that encourages employees to excel. Robbins and Judge (2017) stated that punishment is more functional to prevent deviant behavior, not to improve the quality or productivity of work. Therefore, although punishment is necessary to maintain discipline, its existence is not always directly proportional to the increase in performance.

Based on the characteristics of the respondents, most of the employees of PT Bina San Prima Denpasar Branch have a working period of 1-5 years as many as 59.6% of the 52 respondents, so their work experience and professional maturity have not been fully formed. This condition has implications for the low response to the punishment system implemented by the company. PT Bina San Prima has implemented various types of sanctions, such as incentive cuts, warning letters, revocation of overtime rights, and promotion delays, but the implementation has not been fully effective. This situation is exacerbated by high workloads, large mobility, and tight time pressures, while the reward or appreciation system is disproportionate to the effort put in by employees. The focus of punishment that emphasizes more on work results than the work process makes employees feel less motivated and treated unfairly, so that there is no significant improvement in performance. In addition, since most employees are still relatively new, there is a possibility that they will consider quitting this job if they feel that the effort given is not appreciated or the pressure of work is too great without commensurate compensation, so that the effectiveness of punishment becomes increasingly limited and has the potential to cause demotivation and work stress.

The results of this study support the research of Rachmatan, et al (2024), Suaib, et al (2024), Putra and Liana (2024), and Susiyami and Widarta (2025) found that punishment has a negative and insignificant effect, which means that the imposition of punishment does not always have a direct impact on improving employee performance, depending on the context of the application and the individual's perception of the form of punishment.

CONCLUSIONS

This study concludes that work environment, rewards, and punishment simultaneously have a significant effect on employee performance at PT Bina San Prima Denpasar Branch. Partially, the work environment and rewards have a positive and significant effect, indicating that supportive working conditions and appropriate reward systems play an important role in improving employee performance. In contrast, punishment has a negative and insignificant effect, suggesting that punitive approaches do not directly contribute to performance improvement. The findings highlight that employee performance is more effectively enhanced through positive reinforcement and supportive organizational conditions rather than through punishment mechanisms. This study contributes to the integration of Goal Setting Theory and Operant Conditioning Theory by demonstrating that rewards are more effective than punishment in influencing employee behavior and performance outcomes. Practically, organizations are advised to prioritize improvements in the work environment, particularly in aspects such as air circulation and workplace comfort, as well as to develop fair and transparent reward systems that align with employee expectations. Meanwhile, the implementation of punishment should be carefully evaluated and oriented toward constructive approaches such as coaching and feedback to avoid negative impacts on employee motivation.

THEORETICAL AND PRACTICAL IMPLICATIONS

Theoretical Implications

This study contributes to the development of human resource management literature by integrating Goal Setting Theory and Operant Conditioning Theory in explaining employee performance. The findings confirm that employee performance is not only influenced by goal clarity, as emphasized in Goal Setting Theory proposed by Edwin Locke, but also by reinforcement mechanisms as explained in Operant Conditioning Theory by B. F. Skinner.

The results demonstrate that rewards, as a form of positive reinforcement, have a stronger and more consistent impact on performance compared to punishment. This finding provides empirical support for the argument that positive reinforcement is more effective in shaping employee behavior than punitive approaches. Furthermore, the insignificant effect of punishment contributes to the ongoing debate in the literature regarding its role in performance improvement, particularly in emerging market contexts. This study also extends prior research by examining the combined influence of work environment, rewards, and punishment within a single integrated model. The results highlight that organizational support factors, particularly the work environment, play a dominant role in enhancing performance. Therefore, this study enriches theoretical understanding by emphasizing the interaction between environmental and behavioral factors in shaping employee performance.

Practical Implications

From a practical perspective, the findings provide important insights for organizational management, particularly in designing effective human resource policies. First, organizations should prioritize the creation of a conducive work environment, both physically and psychologically. Improvements in workplace conditions, such as lighting, air circulation, and safety facilities, as well as fostering a supportive organizational climate, can significantly enhance employee productivity. Second, companies need to develop reward systems that are fair, transparent, and aligned with employee contributions. Both financial rewards, such as salaries and incentives, and non-financial rewards, such as recognition and career development opportunities, should be optimized to strengthen employee motivation and commitment. The findings suggest that perceived fairness in rewards is a critical factor in determining their effectiveness.

Third, the role of punishment should be carefully reconsidered. Rather than relying on punitive measures, organizations are encouraged to adopt more constructive approaches, such as coaching, mentoring, and feedback mechanisms. Excessive or poorly implemented punishment may lead to negative psychological effects, including stress and reduced motivation, which ultimately hinder performance. Overall, this study suggests that organizations should shift their focus from control-

oriented management practices toward motivation-based strategies that emphasize support, recognition, and employee development in order to achieve sustainable performance improvement.

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