


The Effect of Rewards and Punishment, Job Rotation, Employee Engagement and Career Development on Employee Performance at PT XYZ

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Abstract: This research aims to find out the effect of working conditions on performance of employee at PT XYZ. Respondents as well as the population studied are employees of PT XYZ, with a total sample of 168 employees. The sampling technique used by the researcher is disproportionate stratified random sampling, using the Slovin equation. The data collection technique in this study used a questionnaire with Google Form media. The data analysis method used by the researcher is quantitative associative analysis using Multiple Linear Regression, Classical Assumption Test, t-test, and F-test with a significance level of 0.05 and a coefficient of determination. The results of this study are: Rewards and punishment, job rotation, employee engagement, career development simultaneously have an effect on employee performance.


1 INTRODUCTION

1.1 Background

For employees who have achievements in the company, it is necessary to give awards to continue to motivate their performance. Tohardi (2002), explained that the award is a reward given so that employees are motivated to increase their productivity. With this award, it is hoped that employees can feel valued by the company for their performance results, employees will also be motivated to work harder and increase their productivity. In addition to awards, companies must also act decisively by imposing punishment on employees violate the rules or commit negligence at work. Employees who are negligent or lazy to work must be given strict warnings/punishment, so as not to repeat the mistake again. With appropriate punishment, it is hoped that it can be a warning to improve performance and reduce the possibility of the employee repeating his mistake again. If employees continue to be lazy to work, repeat negligence, it will have a bad impact on the company's productivity, causing losses.

When working in a company, boredom often arises, even boredom experienced by employees, especially with working periods that are too long in a position. Therefore, it is necessary to implement a work rotation system (transfer), at the right time and for employees who are in accordance with certain job desks. In Robbins (2006), job rotation is an alternative to reduce the level of boredom and repetitive routines. Therefore, the application of the work rotation system is one of the breakthroughs that should be implemented, to reduce boredom at work. It is also hoped that after the implementation of this work rotation system, it can increase the knowledge and work experience of employees, which will also hone their skills so as to provide the best performance for the company.

According to Siddhanta & Roy (2010), employee engagement can create success for a company, because it can bring the positive effect on employee performance. With the implementation of the employee engagement program in the company, it is expected to make employees feel bound to the company environment. One example of implementing employee engagement programs, for example, is holding gatherings between employees,

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so as to build a sense of kinship with one another. And if good relations between employees in the company have been established, then this will create good work collaboration which will certainly have a positive impact on employee performance.

Another thing that can motivate employees is the company's career development program. According to Nawawi (2005), the application of career development is an encouragement (motivation) for employees to move forward in a company environment, also more motivated to excel so as to improve their performance. Career development is something that should not be ignored, because the career development program also depicts the development of an organization or company. Therefore, career development must be a serious concern for company management, for the sake of mutual interest and progress.

Good performance from employees is the key to achieving high productivity in every company. If a work target is completed on time or does not exceed the set time limit, then the employee's performance is said to be high (Nawawi, 2006). Employee performance also reflects the ability of the company's management, in managing and allocating human resources in the company. So that this aspect of employee performance needs to be analyzed and developed according to the needs of the company. Optimizing employee performance will keep the company moving forward, and of course will have a positive impact on the welfare of the company's employees themselves.

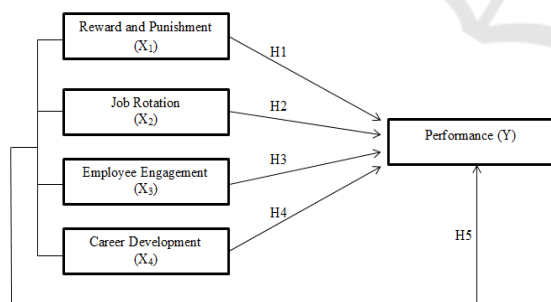


Figure 1: Framework.

1.2 Methods

The population is the employees from production division of PT XYZ, with the total sample 168 employees. The sampling technique is disproportionate stratified random sampling, because the population is stratified but not proportional. The population in this study has 3 organizational units, namely QA, OP, and EA. And in each of these

organizational units has a different number of employees. From each organizational unit, a sample will be taken according to the population comparison. The number of samples obtained by the following calculations:

Table 1: Sample Calculation.

| Organizational Unit | Employee Population | Sample |
|---------------------|---------------------|--|
| QA | Technician | 0 |
| | Specialist | $n = \frac{1}{288} \times 168 = 0,58 = 1$ |
| | Operator | $n = \frac{17}{288} \times 168 = 9,91 = 10$ |
| OP | Technician | $n = \frac{55}{288} \times 168 = 32,08 = 32$ |
| | Specialist | $n = \frac{13}{288} \times 168 = 7,58 = 8$ |
| | Operator | $n = \frac{194}{288} \times 168 = 113,1 = 113$ |
| EA | Technician | $n = \frac{1}{288} \times 168 = 0,58 = 1$ |
| | Specialist | $n = \frac{3}{288} \times 168 = 1,75 = 1$ |
| | Operator | $n = \frac{4}{288} \times 168 = 2,33 = 2$ |
| TOTAL | 288 | 168 |

In answering the questions on the questionnaire using a Likert scale, with details of the value scale as follows:

- Strongly Disagree : 1
- Disagree : 2
- Agree : 3
- Strongly Agree : 4

Table 2: Variable Operational.

| Variable | Dimension | Indicator |
|--|------------------|---|
| Rewards & Punishment (X ₁) | Extrinsic Reward | Financial Rewards (Wages, Compensation) |
| | | Non-Financial Awards (Promotion, status/recognition) |
| | Intrinsic Reward | Completion, namely the ability to complete work |
| | | Achievement, i.e. results in achieving work targets/goals |

| Variable | Dimension | Indicator |
|--|------------------------|--|
| | | Personal growth, namely the development of self-ability |
| | Light Punishment | Light reprimand |
| | Medium Punishment | Warning Letter 1&2 |
| | Heavy Punishment | Warning Letter 3 or termination |
| Job Rotation (X₂) | Saturation | Reducing boredom / boredom at work |
| | Motivation | Working with new people |
| | Ability and knowledge | Utilization of job rotation to increase skills and knowledge |
| Employee Engagement (X₃) | Spirit | Employee gathering program |
| | Dedication | Commitment to the company, work productivity, innovation |
| | Absorption | Work environment, interaction between employees |
| Career Development (X₄) | Work performance | Promotion |
| | Organizational Loyalty | Career Planning, monitoring work results |
| | Opportunity to grow | Training (training), opportunity to develop potential |
| Performance (Y) | Quality | Work errors, Correction of work results |
| | Quantity | Work weight and target |
| | Punctuality | Timely attendance |
| | Effectiveness | Independence in work, utilization of company facilities |

item is invalid. And from the validity test of this study, there are 3 invalid questions, so the total measuring instrument that can be used is 34 valid items. The following table is the results of validity test:

Table 3: Validity Test Results.

| Item | r-count | r-table | Information |
|--|---------|---------|-------------|
| Rewards & Punishment (X ₁) | | | |
| 1 | 0.742 | 0,361 | Valid |
| 2 | 0.804 | | |
| 3 | 0.804 | | |
| 4 | 0.757 | | |
| 5 | 0.214 | | Invalid |
| 6 | 0.572 | | Valid |
| 7 | 0.638 | | |
| 8 | 0.491 | | |
| 9 | 0.522 | | |
| 10 | 0.776 | | |
| 11 | 0.668 | | |
| Jobs Rotation (X ₂) | | | |
| 1 | 0.668 | 0,361 | Valid |
| 2 | 0.694 | | |
| 3 | 0.763 | | |
| 4 | 0.788 | | |
| 5 | 0.270 | | Invalid |
| Employee Engagement (X ₃) | | | |
| 1 | 0.817 | 0,361 | Valid |
| 2 | 0.520 | | |
| 3 | 0.669 | | |
| 4 | 0.778 | | |
| 5 | 0.414 | | |
| 6 | 0.759 | | |
| Career Development (X ₄) | | | |
| 1 | 0.570 | 0,361 | Valid |
| 2 | 0.728 | | |
| 3 | 0.661 | | |
| 4 | 0.839 | | |
| 5 | 0.480 | | |
| 6 | 0.846 | | |
| 7 | 0.535 | | |
| Performance (X ₅) | | | |

2 RESULTS AND DISCUSSION

2.1 Validity Test

In this validity test, 30 respondents were used to be tested. The questionnaire item is said to be valid, if it has an r-count value greater than or equal to r-table (N=30; equal to 0.361 based on the statistical book table r) with a significance value of 5%. If the value of r-count is less than r-table, then the questionnaire

| Item | r-count | r-table | Information |
|------|---------|---------|-------------|
| 1 | 0.916 | 0,361 | Valid |
| 2 | 0.238 | | Invalid |
| 3 | 0.700 | | Valid |
| 4 | 0.622 | | |
| 5 | 0.738 | | |
| 6 | 0.730 | | |
| 7 | 0.517 | | |
| 8 | 0.805 | | |

2.2 Reliability Test

This test used Cronbach's Alpha, if the Cronbach's Alpha coefficient of an instrument is > 0.60 , then the instrument in the questionnaire is reliable. The results of Cronbach's Alpha coefficient values in table 4, show that all variables have Cronbach's Alpha coefficient values > 0.60 . Therefore, it is concluded that all instruments in this study have a good level of reliability.

Table 4: Reliability Test Result.

| Variable | Cronbach's Alpha | Information |
|--------------------------------|------------------|-------------|
| Rewards & Punishment (X_1) | 0,872 | Reliable |
| Jobs Rotation (X_2) | 0,782 | |
| Employee Engagement (X_3) | 0,754 | |
| Career Development (X_4) | 0,787 | |
| Performance (X_5) | 0,853 | |

2.3 Normality Test

Normality test is presented with P-Plot graph analysis and Kolmogorov-Smirnov test as follows:

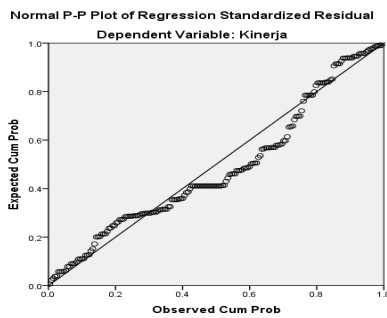


Figure 2: P-Plot Chart.

Table 5: Kolmogorov-Smirnov Test.

| | | Residual |
|--------------------------|----------------|----------|
| N | | 168 |
| Normal Parameters | Mean | 0,0000 |
| | Std. Deviation | 127,135 |
| Most Extreme Differences | Absolute | 0,104 |
| | Positive | 0,104 |
| | Negative | -0,065 |
| Kolmogorov-Smirnov Z | | 1,346 |
| Asymp. Sig. (2-tailed) | | 0,054 |

In the P-Plot graph, it shows that the distribution of the data has followed the normal distribution pattern. And also the results of the Kolmogorov-Smirnov Test, namely the significance value is greater than 0.05, namely Kolmogorov Smirnov $1.346 > 0.05$ and the Asymp sign value is greater than 0.05, namely $0.054 > 0.05$. So, from the result, the data can be concluded has been normally distributed.

2.4 Multicollinearity Test

This test is intended to find a correlation on an independent variable in the regression model. The result of multicollinearity test in the following table:

Table 6: Multicollinearity Test.

| Variable | Collinearity Statistics | |
|--------------------------------|-------------------------|-------|
| | Tolerance | VIF |
| Rewards & Punishment (X_1) | 0,882 | 1,134 |
| Jobs Rotation (X_2) | 0,884 | 1,131 |
| Employee Engagement (X_3) | 0,875 | 1,142 |
| Career Development (X_4) | 0,881 | 1,135 |

Table 6 shows that all independent variables have a tolerance value of > 0.1 and $VIF < 10$. It can be seen from the reward and punishment variable that the tolerance value is $0.882 > 0.1$ and $VIF 1.134 < 10$. The job rotation variable has a tolerance value of $0.884 > 0.1$ and $VIF 1.131 < 10$. Employee engagement variable has a tolerance value of $0.875 > 0.1$ and $VIF 1.142 < 10$. And career development variable has a tolerance value of $0.881 > 0.1$ and $VIF 1.135 < 10$. This means that all independent variables

there are no symptoms of multicollinearity (non-multicollinearity).

2.5 Heteroscedasticity Test

This test is to see the similarities and differences in variance in the observer residuals from a regression model. Heteroscedasticity test of this study was presented using Spearman's rho test.

Table 7: Spearman's rho Test.

| Spearman's rho | | Unstandardized Residual |
|----------------------|-----------------|-------------------------|
| Rewards & Punishment | Sig. (2-tailed) | 0,973 |
| Jobs Rotation | | 0,973 |
| Employee Engagement | | 0,965 |
| Career Development | | 0,686 |

Table 7 shows that the Unstandardized Residual correlation value of the all independent variables have significance values greater than 0.05. With a sign value of $0.973 > 0.05$, a sign value of job rotation $0.973 > 0.05$, a sign value of employee engagement $0.965 > 0.05$, and a career development sign value of $0.686 > 0.05$. So it can be concluded that there is no heteroscedasticity problem.

2.6 Multiple Linear Regression Analysis

This analysis is needed to find out how much influence the variables of reward & punishment, job rotation, employee engagement, and career development have on the performance variable.

Table 8: Regression Model.

| Model | Coefficient |
|----------------------|-------------|
| (Constant) | 7983 |
| Rewards & Punishment | 0,200 |
| Jobs Rotation | - 0,253 |
| Employee Engagement | 0,300 |
| Career Development | 0,245 |

Based on the description of the table above, the following regression equation is obtained:

$$Y = 7.983 + 0.200 X_1 - 0.253 X_2 + 0.300 X_3 + 0.245 X_4 \quad (1)$$

Information :

Y = Performance

X₁ = Rewards & Punishment

- X₂ = Job Rotation
- X₃ = Employee Engagement
- X₄ = Career Development

Based on the regression model above, the variables of rewards and punishment (X₁), (employee engagement (X₃), and career development (X₄) have a positive effect, while job rotation (X₂) has a negative effect. In this case, if the rewards and punishment variables increase by one unit, then the performance variable (Y) will increase by 0.200. Furthermore, if the job rotation variable (X₂) increases by one unit, then the performance variable (Y) will decrease by 0.253. Furthermore, if the employee engagement variable (X₃) increases by one unit, then the performance variable (Y) will increase by 0.300. Furthermore, if the career development variable (X₄) increases by one unit, then the performance variable (Y) will increase by 0.245. The constant value is 7.983, indicating that the performance value will be 7.983 without being influenced by the variables of rewards and punishment, job rotation, employee engagement and career development.

2.7 T Test

This test is conducted to determine how much This test is intended to determine whether rewards and punishment (X₁), job rotation (X₂), employee engagement (X₃), and career development (X₄) partially have a significant effect on performance (Y).

Table 9: T Test Results.

| Independent Variable | B | t | Sig. |
|----------------------|-------|--------|-------|
| Rewards & Punishment | 0,200 | 2,239 | 0,026 |
| Jobs Rotation | - | -3,175 | 0,002 |
| Employee Engagement | 0,300 | 3,578 | 0,000 |
| Career Development | 0,245 | 3,851 | 0,000 |

The following are the results of the hypothesis of each independent variable:

- 1) The regression coefficient value is 0.200 with a positive direction and the t-count value is 2.239, which is greater than t-table 1.654 and the significance value is 0.026 which is less than 0.05. So the third hypothesis is as follows: there is a positive and significant influence between rewards and punishment on the performance of employees of PT XYZ.

- 2) The t-count value of the job rotation variable is -3.175 which is less than t-table 1.654 and the significance value is 0.002 which is less than 0.05 and the regression coefficient is -0.253 in a negative direction. This means that work rotation has a significant negative effect on performance. So the third hypothesis is as follows: there is a negative and significant influence between job rotation on the performance of PT XYZ's employees.
- 3) The t-count value of the employee engagement variable is 3.578 which is greater than 1.654 and the significance value is 0.000 which is less than 0.05 and the regression coefficient is 0.300 in a positive direction. This means that the employee engagement variable has a significant positive effect on performance. So the third hypothesis is as follows: there is a positive and significant effect between employee engagement on the performance of PT XYZ's employees.
- 4) The t-count value of the career development variable is 3.851 which is greater than 1.654 and the significance value is 0.000 which is less than 0.05 and the regression coefficient is 0.245 in a positive direction. This means that career development variables have a significant positive effect on performance. So the fourth hypothesis is as follows: there is a positive and significant influence between career development on the performance of employees of PT XYZ.

2.8 F Test

The F test is used to determine whether rewards and punishment (X₁), job rotation (X₂), employee engagement (X₃), and career development (X₄) have a simultaneous positive effect on employee performance.

Table 10: F Test Results.

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|--------|-------------------|
| Regression | 80.786 | 4 | 20.196 | 12.132 | .000 ^b |
| Residual | 301.305 | 181 | 1.665 | | |
| Total | 382.091 | 185 | | | |

The results of the F statistic test obtained that the significance of the F test (probability) was 0.000 (p < 0.05) and the F-count value of 12.132 which was greater than F-table which was 2.43. This means that there is a positive and significant influence between rewards and punishment, job rotation, employee

engagement and career development on the performance of PT XYZ's employees.

3 CONCLUSION

Based on the results of the description of the discussion above, the formulation of the conclusions is as follows:

1. Rewards and punishment have a positive and significant effect on employee performance. The higher the level of rewards and punishment, it can improve employee performance.
2. Job rotation has a negative and significant effect on employee performance. The higher the job rotation rate, the lower the employee's performance.
3. Employee engagement has a positive and significant effect on employee performance. The higher the level of employee engagement, it can improve employee performance.
4. Career development has a positive and significant effect on employee performance. The higher the level of career development, it can improve employee performance.
5. Rewards and punishment, job rotation, employee engagement, and career development have a simultaneous and significant effect on employee performance. When all independent variables are managed properly and appropriately, it will improve employee performance.

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