THE EFFECT OF REWARD AND PUNISHMENT IMPLEMENTATION ON LEVEL OF JOB LOYALTY AND WORK MOTIVATION EMPLOYEES AT CERITA KOPI RESTAURANT

R. Paulus Widyalasmono W.S[1], Yustin Nur Faizah[2], Agustina Dianova[3]

[1]Hospitality Management, [2]Accounting, [3]Administration Business, [1,2,3,] Politeknik NSC Surabaya
[1] paulus.soetrisno@nscpolteksby.ac.id, [2]yustin.faizah@nscpolteksby.ac.id, [3]agustinadianova01@gmail.com

ABSTRACT

Reward and Punishment is a concept that is developed from a concept of human resource management, especially aimed at motivating someone to do good and improve their achievements. Both of these methods have long been known in the world of work. Therefore, reward and punishment are two factors that greatly affect the performance of employees. A gift or reward is a tool to spur employees so they can feel happy because the deeds or work that has been done (get an award) and vice versa, if the employee makes a mistake, then will get a punishment so that employees do not repeat the same mistake. The success of all things will be determined from the kinds of behavior in human psychology, especially work behavior. The work environment is a social life that is lived covering psychic workers, mental and physical in a company. This will later affect the performance of a person or employee in carrying out all their duties.

Kata kunci : *Reward, Punishment, Human Resources, Employee Performances*.

INTRODUCTION

Employee retention and performance play a crucial role in a business's success in the highly competitive hospitality industry, especially in the restaurant sector(Kamselem et al., 2022; Khan, 2021; Sunaryo et al., 2022). Like many other establishments, Cerita Kopi Restaurant struggles to keep its staff members' work motivation and job loyalty at high levels. According Clark & Wilson, (1961) Incentive and punishment schemes has become a common tactic as businesses look to increase worker productivity and engagement. This essay examines how these systems affect Cerita Kopi Restaurant employees' levels of motivation and job loyalty.

According to Prendergast, (1999) Punishment and rewards are effective instruments for modifying employee behavior. Rewards are meant to reinforce desired behaviors and inspire workers to give their best efforts (Khan, 2021). They can take many different forms, from cash incentives to recognition and professional growth chances(Flammer & Luo, 2017). Conversely, penalties aim to rectify undesired conduct by enforcing repercussions that dissuade such acts(Kamselem et al., 2022). Finding a balance between these two strategies is essential to creating a productive workplace where staff members feel appreciated, inspired, and committed to the company.

This article examines the impact of the reward and punishment system at Cerita Kopi Restaurant, aiming to understand how these practices influence employee loyalty and motivation. By analyzing the effectiveness of these strategies, this study seeks to provide insights that can help the management of Cerita Kopi and other similar establishments create a more motivated and committed workforce.

THEORETICAL FRAME WORK

Behavioral psychology, in especially the work of B.F. Skinner in the development of operant conditioning, is where the idea of rewards and punishments originated. Positive reinforcement, or rewards, work by providing something desirable in exchange for a desired behavior, like promotions, cash bonuses, or recognition(Clark & Wilson, 1961; Prendergast, 1999). On the other hand, penalties, often known as negative reinforcement, work to curtail or eradicate undesired behaviors by applying negative consequences like reprimands, wage reductions, or even termination(Kamselem et al., 2022; Khan, 2021)**.**

In organizational behavior theory, rewards and punishments are often discussed within the framework of motivation theories, such as Maslow's Hierarchy of Needs, Herzberg's Two-Factor Theory, and Vroom's Expectancy Theory (Benson & Dundis, 2003; Hale et al., 2019; Khan, 2021). These theories suggest that employees are motivated by both intrinsic and extrinsic factors, where rewards play a crucial role in satisfying both higher-level psychological needs and basic physiological needs.

Several studies have highlighted the positive correlation between well-structured reward systems and job loyalty. For instance, research Eisenberger et al., 1990) found that employees who perceived their organization as supportive and rewarding were more likely to exhibit high levels of organizational commitment and loyalty. Similarly, a study by (Allen & Meyer, 1990) demonstrated that employees' loyalty

increased when they felt that their contributions were recognized and fairly compensated.

The impact of punishments on job loyalty is more contentious. While some studies suggest that appropriately applied disciplinary actions can reinforce organizational standards and contribute to a culture of accountability, others argue that excessive or unfair punishments can lead to dissatisfaction, resentment, and decreased loyalty. For example, research by (Tepper, 2000) indicated that employees who experience abusive supervision, which can be perceived as a form of punishment, are less likely to remain loyal to their organization.

Empirical research consistently supports the notion that rewards positively influence work motivation. For example, a study by (Deci et al., 1999) found that extrinsic rewards could enhance intrinsic motivation when the rewards were perceived as contingent on high performance and aligned with personal goals. Similarly, research by (Khan, 2021) concluded that reward systems that recognize both effort and achievement can significantly boost employee motivation.

The relationship between punishments and work motivation is complex. While some studies suggest that the threat of punishment can motivate employees to avoid negative consequences, others indicate that punitive measures can lead to a decrease in motivation, particularly when they are perceived as unfair or disproportionate. Research by Podsakoff et al., (2006) highlighted that while disciplinary actions could enforce compliance, they often do so at the cost of reducing overall motivation and morale.
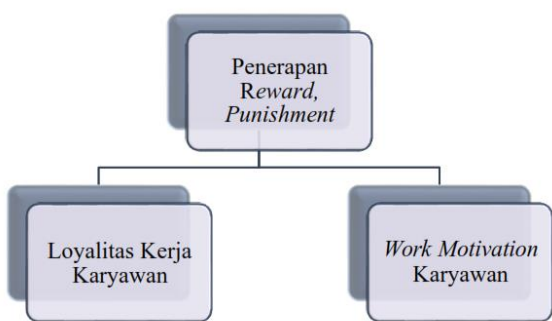

Gambar 1. Conceptual Framework

RESEARCH METHODS
Jenis Penelitian

This study employs a qualitative research design, focusing on the experiences and perceptions of employees at Cerita Kopi Restaurant. The qualitative approach is chosen for its ability to capture the nuanced and subjective aspects of employee attitudes and behaviors that are often overlooked in quantitative research.

Data was collected through semi-structured interviews with 7 employees at Cerita Kopi Restaurant, including waitstaff, kitchen staff, and management. The interviews were conducted in a private setting to encourage candid responses and were recorded with the participants' consent. The interview questions were designed to explore employees' experiences with the restaurant's reward and punishment systems, their feelings of job loyalty, and their levels of motivation.

Research Desain
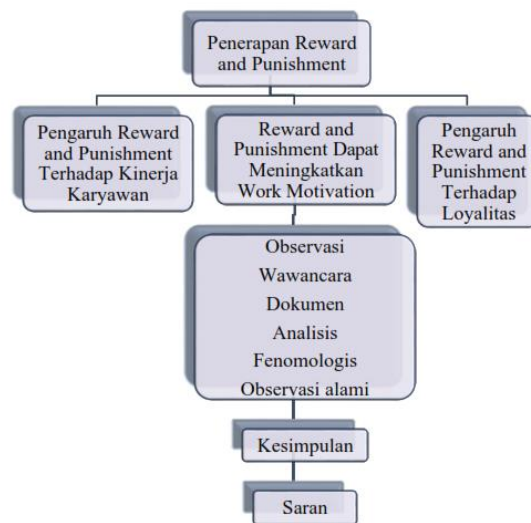
Gambar 1. Research Desain

FINDING AND DISCUSSION
The Impact of Rewards on Job Loyalty

At Cerita Kopi, the implementation of rewards has a significant impact on job loyalty among employees. Rewards, both tangible (such as bonuses, salary increments, and promotions) and intangible (like recognition and praise), are crucial in shaping employees' commitment to the company.

Employees who feel acknowledged and appreciated for their contributions tend to develop a stronger sense of belonging and attachment to the organization. This sense of recognition fuels their intrinsic motivation, leading them to invest more effort into their work and exhibit greater loyalty. For instance, when employees receive regular acknowledgment for their hard work, they are more likely to feel valued, which in turn fosters a deeper connection with the company's goals and values

Moreover, the reward system at Cerita Kopi encourages employees to remain with the organization for a longer period. The anticipation of future rewards, such as career advancement opportunities, serves as a motivator for employees to continue performing at their best. This forward-looking perspective not only enhances job

satisfaction but also reduces turnover rates, as employees are less inclined to seek opportunities elsewhere when they perceive that their loyalty will be rewarded.

In essence, the reward system at Cerita Kopi plays a pivotal role in cultivating a culture of loyalty among its workforce. By consistently recognizing and rewarding employees' efforts, the company not only boosts morale but also secures long-term commitment from its team members, thereby creating a stable and motivated workforce.

The Role of Punishments in Shaping Work Motivation

In the dynamic environment of Cerita Kopi, a popular restaurant known for its unique ambiance and dedicated staff, the implementation of punishments plays a crucial role in shaping work motivation. Through qualitative observations and interviews, it is evident that the approach to punishments significantly impacts how employees perceive their roles, responsibilities, and overall motivation at work.

Punishments, when administered fairly and consistently, serve as a clear signal of the expectations within the organization. At Cerita Kopi, management emphasizes a structured approach where punishments are not seen as mere punitive measures but as corrective actions aimed at guiding employees toward better performance. This perspective encourages employees to view punishments not as personal attacks but as opportunities for growth and improvement. For instance, when an employee fails to meet certain standards, the imposed consequences are typically accompanied by constructive feedback and guidance. This combination helps to mitigate any negative feelings and redirects the focus toward achieving better results in the future.

Interviews with employees revealed that while the fear of punishment does contribute to short-term compliance, its long-term effect on motivation is more nuanced. Some employees admitted that the prospect of punishment initially drove them to improve their performance out of fear of repercussions. However, over time, this fear-based motivation often transitioned into a more intrinsic form of motivation, where the desire to avoid punishment evolved into a genuine commitment to maintaining high standards of work.

Additionally, the role of transparency and communication in the punishment process at Cerita Kopi cannot be overstated. Employees expressed that when they understand the reasons behind a punishment and see it applied uniformly across the team, they are more likely to accept it and learn from it. This transparency fosters a sense of fairness and

trust in the management, which in turn positively influences their motivation to adhere to the restaurant's expectations.

However, it is important to note that the effectiveness of punishments in motivating employees is highly dependent on the individual's personality and work ethic. Some employees respond better to positive reinforcement and may feel demotivated if punishments are overly harsh or perceived as unjust. Therefore, Cerita Kopi's management strives to balance the use of punishments with rewards and recognition to cater to the diverse motivational needs of their staff.

In conclusion, the qualitative analysis of punishments at Cerita Kopi suggests that while they are an essential tool for maintaining discipline and encouraging compliance, their true value lies in how they are administered and perceived by employees. When combined with clear communication, fairness, and opportunities for improvement, punishments can effectively contribute to a motivated and high-performing workforce.

Unintended Consequences

In any organization, particularly in a service-oriented business like Cerita Kopi, the implementation of policies such as reward and punishment can lead to various unintended consequences. These consequences, while not part of the original plan, can significantly impact the organization's dynamics, employee behavior, and overall business environment.

At Cerita Kopi, the introduction of a reward and punishment system was aimed at enhancing employee motivation and job loyalty. However, the qualitative analysis reveals that the outcomes were more complex than anticipated. One of the unintended consequences observed was the development of a competitive work environment. While competition can be healthy, fostering a drive for excellence, it can also lead to rivalry among employees. Some staff members at Cerita Kopi started to prioritize individual achievements over teamwork, leading to fragmented communication and occasional conflicts within teams.

Another consequence was the feeling of resentment among those who were frequently on the receiving end of punishments. Instead of motivating these employees to improve, the punishment system sometimes resulted in decreased morale and a sense of alienation. This, in turn, affected their performance and job satisfaction, which contradicts the original intent of the policy.

Additionally, the reward system, while successful in recognizing high-performing

employees, inadvertently created a sense of inequality. Employees who felt overlooked or inadequately rewarded despite their efforts began to question the fairness of the system. This led to a subtle undercurrent of dissatisfaction, which could potentially undermine the overall positive impact of the reward policy.

Lastly, the focus on tangible rewards and punishments overshadowed the intrinsic motivations of employees. Some employees began to work solely for the rewards, rather than out of a genuine commitment to their roles or the company's mission. This shift in motivation could affect the long-term sustainability of the company's culture and employee engagement.

In conclusion, while the reward and punishment system at Cerita Kopi has had its intended positive effects, such as increased productivity and recognition of high performers, it has also led to unintended consequences that require careful management. Addressing these issues through open communication, re-evaluating the fairness of the system, and fostering a more inclusive environment could help mitigate the negative impacts and ensure that the system supports the company's goals in a balanced manner.

CONCLUSION

This research provides valuable insights into the influence of rewards and punishments on job loyalty and work motivation at Cerita Kopi Restaurant. The findings suggest that while rewards are effective in enhancing job loyalty, punishments need to be administered with caution to avoid negative consequences. The study emphasizes the importance of a balanced approach that combines both rewards and fair punishment practices to create a supportive and motivating work environment.

Future research could expand on this study by exploring the long-term effects of reward and punishment systems on employee behavior and by comparing the findings with other industries. Additionally, quantitative research could be conducted to measure the impact of these practices on employee performance metrics.

BIBLIOGRAPHY

Allen, N. J., & Meyer, J. P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. Journal of Occupational Psychology, 63(1), 1–18. https://doi.org/10.1111/j.2044-8325.1990.tb00506.x

Benson, S. G., & Dundis, S. P. (2003). Understanding and motivating health care employees: integrating Maslow's hierarchy of needs, training and technology. Journal of Nursing Management, 11(5), 315–320. https://doi.org/10.1046/j.1365-2834.2003.00409.x

Clark, P. B., & Wilson, J. Q. (1961). Incentive Systems: A Theory of Organizations. Administrative Science Quarterly, 6(2), 129. https://doi.org/10.2307/2390752

Deci, E. L., Koestner, R., & Ryan, R. M. (1999). The undermining effect is a reality after all—Extrinsic rewards, task interest, and self-determination: Reply to Eisenberger, Pierce, and Cameron (1999) and Lepper, Henderlong, and Gingras (1999). Psychological Bulletin, 125(6), 692–700. https://doi.org/10.1037/0033-2909.125.6.692

Eisenberger, R., Fasolo, P., & Davis-LaMastro, V. (1990). Perceived organizational support and employee diligence, commitment, and innovation. Journal of Applied Psychology, 75(1), 51–59. https://doi.org/10.1037/0021-9010.75.1.51

Flammer, C., & Luo, J. (2017). Corporate social responsibility as an employee governance tool: Evidence from a quasi-experiment. Strategic Management Journal, 38(2), 163–183. https://doi.org/10.1002/smj.2492

Hale, A. J., Ricotta, D. N., Freed, J., Smith, C. C., & Huang, G. C. (2019). Adapting Maslow's Hierarchy of Needs as a Framework for Resident Wellness. Teaching and Learning in Medicine, 31(1), 109–118. https://doi.org/10.1080/10401334.2018.1456928

Kamselem, K. M., Nuhu, M. S., Lawal, K. A. A., Liman, A. M., & Abdullahi, M. S. (2022). Testing the nexus between reward system, job condition and employee retention through intervening role of employee engagement among nursing staff. Arab Gulf Journal of Scientific Research, 40(1), 34–53. https://doi.org/10.1108/AGJSR-05-2022-0061

Khan, U. (2021). Effect of Employee Retention on Organizational Performance. Journal of Entrepreneurship, Management, and Innovation, 2(1), 52–66. https://doi.org/10.52633/jemi.v2i1.47

Podsakoff, P. M., Bommer, W. H., Podsakoff, N. P., & MacKenzie, S. B. (2006). Relationships between leader reward and punishment behavior and subordinate attitudes, perceptions, and behaviors: A meta-analytic review of existing and new research. Organizational Behavior and Human Decision

Processes, 99(2), 113–142. https://doi.org/10.1016/j.obhdp.2005.09.002

Prendergast, C. (1999). The Provision of Incentives in Firms. Journal of Economic Literature, 37(1), 7–63. https://doi.org/10.1257/jel.37.1.7

Sunaryo, W., Santoso, A. B., & Moeins, A. (2022). The Effect of Knowledge Management on Employee Innovation. Journal of World Science, 1(6), 465–473. https://doi.org/10.36418/jws.v1i6.58

Tepper, B. J. (2000). Consequences of Abusive Supervision. Academy of Management Journal, 43(2), 178–190. https://doi.org/10.5465/1556375