



The Effect of Compensation and Rewards on Job Satisfaction through Punishment as an Intervening Variable (Study at PT. Suka Sukaku)

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Abstract

This study aims to analyze the effect of compensation and rewards on job satisfaction through punishment as an intervening variable. This research applies the Structural Equation Modeling (SEM) - Partial Least Squares (PLS) analysis technique using the Smart PLS Version 3 tool in processing data obtained through distributing questionnaires to 314 employees of PT Suka Sukaku. The results showed that punishment has no significant effect on job satisfaction, giving fair awards has a positive impact on employee job satisfaction, compensation has a significant effect on job satisfaction, compensation has a significant effect on punishment, awards have a significant effect on job satisfaction, compensation has a significant effect on job satisfaction through punishment and awards have a significant effect on job satisfaction through punishment.

Keywords : Job Satisfaction, Compensation, Punishment, Reward

Kode JEL:

1. Introduction

In a business environment that is becoming increasingly intricate, recognizing the factors influencing employee job satisfaction is imperative for organizational success (Robbins & Judge, 2017) This research focuses specifically on examining how employee job satisfaction is influenced by compensation and rewards. These factors are considered as variables that can be adjusted, and their interplay with the role of workplace punishment is explored.

The significance of compensation for employees cannot be overstated, as it plays a pivotal role in attracting, retaining, and nurturing human resources crucial for a company's continuity and advancement. Without adequate recompense, a company

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may encounter hindrances in its operational smoothness and encounter challenges in its growth. Compensation, far from being merely a financial reward, is an integral component of the company's strategy aimed at supporting the realization of organizational objectives. Offering satisfactory compensation is expected to help the company address various issues related to employee needs, mitigating the risk of failing to achieve company goals in the future (Suryani, 2013). Compensation, encompassing additional incentives such as bonuses, promotions, and recognition for performance, also significantly influences employee job satisfaction (Nelson & Quick, 2022). As noted (Nugraha & Tjahjawati, 2018), compensation holds importance for employees as the amount not only reflects but can also gauge the value of their contributions to the organization. Conversely, the adequacy of compensation can impact employee performance, motivation, and overall job satisfaction. When compensation is administered judiciously, employees are likely to experience satisfaction and motivation to contribute to the accomplishment of company objectives. As per (Wibowo, 2007), managers can receive positive rewards, which come in the form of both financial and non-financial incentives. Financial rewards encompass wages, salaries, bonuses, commissions, pensions, accident insurance, and similar provisions as external acknowledgments to employees. On the other hand, non-financial rewards pertain to internal aspects of the job, such as opportunities for promotion, positive feedback, recognition for performance, challenging task assignments, and chances to explore interests in other units attractive to employees.

Reward systems are crafted to enhance employee efficiency, reinforce work discipline, reduce absenteeism, while simultaneously fostering loyalty and decreasing employee turnover. According Zulkarnain & Setyaningrum (2022), stated that satisfaction at work is one of the main things and companies are required to pay attention to this because this is one of the benchmarks of employee feelings when doing their jobs and feelings towards the company where they work. Because the sense of satisfaction created in employees will create a sense of drive or motivation to do their jobs well and be more productive (Maharani et al., 2023). Employee satisfaction, performance, and company productivity can all benefit from rewards. Employees will contribute the most to a company when they feel their efforts are appreciated by the organization (Chandler, 2018).

It's noteworthy that punishment can influence employee job satisfaction, with past research indicating its impact on this aspect. A study by (Hennessey & Teresa, 2010) explored how punishment, manifested as excessive work pressure, can adversely affect job satisfaction. This implies that various forms of punishment can shape how employees assess their work and the satisfaction levels they experience.

According to Rijal & Frianto (2020), it shows that if competence shows a significant positive influence on performance, competence has a significant positive influence on job satisfaction, job satisfaction shows a significant positive influence on performance, and competence shows a significant positive influence through job satisfaction.

Punishment is a punishment that has the intention to improve violating employees and provide a deterrent effect on violators. Punishment is an action that presents unpleasant or undesirable consequences as a result of certain behavior. If reward is a form of positive reinforcement, then punishment is a form of negative reinforcement. Therefore, the punishment given must be pedagogical, namely to improve and educate towards a better direction. So that punishment can be used as a mediator to produce job satisfaction

This case study will be conducted at PT Suka Sukaku, which operates in a dynamic and highly competitive business environment. Employing quantitative methods and employing purposive sampling techniques for selecting employees, the study will scrutinize data to comprehend the interplay between compensation, rewards, punishment, and job satisfaction. Consequently, this research will furnish valuable insights into how companies can formulate compensation and reward management strategies to enhance employee job satisfaction, ultimately contributing to improved company performance.

The findings of this study are anticipated to furnish valuable information for PT Suka Sukaku in refining their compensation and reward management strategies. Understanding how compensation, rewards, and punishments affect employee job satisfaction enables companies to design more customized incentive programs that align with employee needs. It also allows for the evaluation of the consequences of sanctions and the identification of areas where improvements can be made.

This research methodology centers on examining the interplay among variables like rewards and punishments within a competitive business milieu, aligning with the perspectives presented by Nelson & Quick (2022) Enhancing comprehension of these dynamics stands to assist PT Suka Sukaku in refining talent management strategies for its workforce and analogous companies.

From the description of these problems, it can be concluded and research can be carried out that compensation and rewards given to employees will have an impact on job satisfaction through punishment as an intervening variable. Punishment carried out by the company is expected to make compensation and reward a consideration for employees.

The novelty of this research will contribute to companies bringing punishment needs to be a consideration in providing compensation and reward. Moreover, this study holds the potential to extend its contributions to the realm of human resource management on a broader scale. The outcomes may offer additional insights into how these variables interact within a dynamic and competitive context, potentially aiding other companies in similar industries in optimizing both employee satisfaction and performance. In essence, this research delivers benefits by advancing knowledge and fostering a deeper understanding of the intricate relationship between compensation and rewards.

2. Methodology

2.1. Model Development

Independent Variables

Compensation is the unity of wages obtained by workers on the basis of contributions that have been made to a company, compensation can be financial or non-financial (Suparyadi.H, 2015). Monetary compensation encompasses salaries, wages, and benefits, while non-monetary compensation refers to rewards expressed through appreciation or facilities, distinct from financial remuneration.

Rewarding refers to the introduction of policies and strategies that reward every employee in a business in a fair and consistent manner at all levels. Recognizing the

outstanding contributions of employees not only makes them feel valued, but also proves to be a highly effective motivational tool to increase productivity. Successful rewards provide employees with opportunities for self-development and at the same time allow businesses to identify individuals who are performing well.

Job satisfaction is an evaluation made by employees of their jobs, which includes aspects such as the work environment, interactions between coworkers, rewards received, and physical and psychological factors. This evaluation can describe a positive attitude that indicates satisfaction or a negative attitude that indicates dissatisfaction with various aspects of the job, including work situations, task loads, rewards, risks, and others (Soetrisno, 2019)

According to Ismah et al. (2023) State punishment can be interpreted as an action taken to correct unwanted behavior in a short time and carried out with full consideration. There are two indicators used, namely Preventive and Repressive. Punishment is basically a threat that aims to correct the behavior of employee violators, enforce applicable regulations, and provide learning to violators, as explained by (Mangkunegara, 2000).

When formulating this research model, it is imperative to scrutinize the impact among independent variables, particularly job satisfaction. This association is substantiated by robust arguments derived from human resource management theory and the reinforcement theory concept.

In accordance with the theory proposed by Pratama et al. (2015), the influence of punishment on job satisfaction suggests a tendency to diminish job satisfaction, compounded by the inconsistency of punishment resulting in an insignificant negative impact on employee job satisfaction.

In the realm of compensation theory (Hutami Putri, 2019), the significance of compensation on job satisfaction is underscored. This underscores that lower levels of compensation can influence employee job satisfaction. Therefore, companies are encouraged to prioritize employee welfare, reassess salary alignment with employee expectations, and evaluate the workload assigned. By taking these measures, companies aspire to cultivate the perception that employees are integral to the overall organizational framework.

In consonance with award theory (Muqoyyarah, 2018), the connection between rewards and job satisfaction is contingent on positive employee performance, subsequently yielding satisfaction for the company. From this standpoint, companies are advised to meticulously consider the degree of recognition, encompassing both intrinsic and extrinsic forms of acknowledgment. Consequently, companies can furnish fitting rewards as a form of recognition for employees' accomplishments.

Hypothesis 1: Punishment has a significant effect on job satisfaction.

Hypothesis 3: Compensation has a significant effect on job satisfaction.

Hypothesis 5: Rewards have a significant effect on job satisfaction.

Intervening Variable

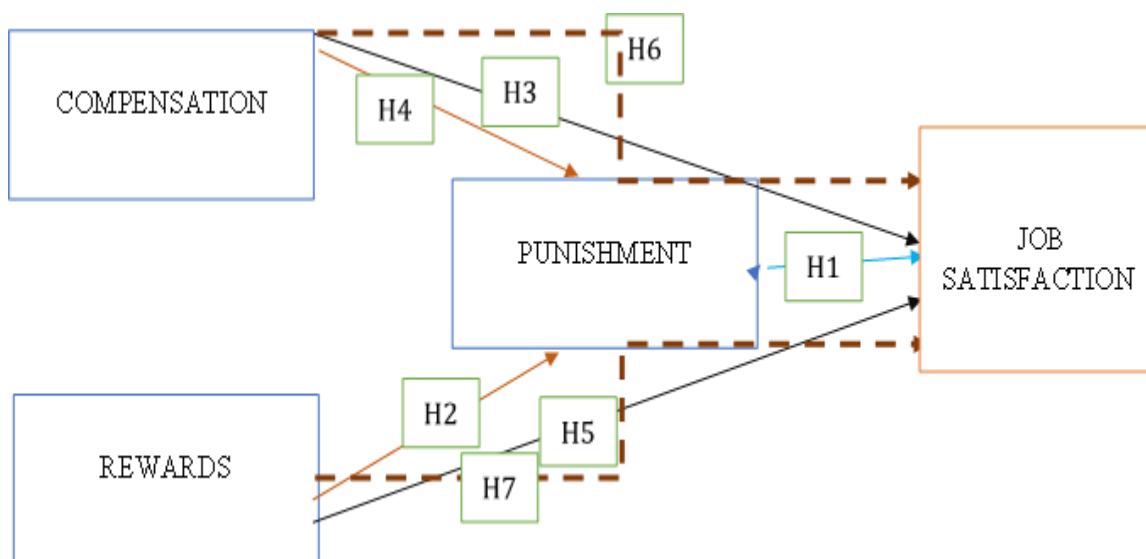
The intervening variable, in this case punishment in the work environment, plays an important role in linking between compensation and, employee rewards and job

satisfaction. This concept is supported by logical and theoretical arguments regarding the impact of punishment in the work environment.

According to motivation theory in human resource management (Robbins, 2005) fair and satisfactory compensation can be an important factor in increasing employee job satisfaction. Employees tend to be more satisfied with their jobs if they feel valued for their contributions to the organization. This creates intrinsic motivation that leads to job satisfaction. At the same time, rewards (additional incentives such as bonuses, promotions and recognition for achievements) can also affect employee job satisfaction. Reinforcement theory (Skinner, 1953) argues that behaviors that are reinforced by positive outcomes, such as rewards, tend to be reinforced and are more likely to be repeated. In this context, "In this scenario, rewards can serve as a strong motivator for employees to attain their objectives, leading to an enhancement in job satisfaction.

Hypothesis 6: Compensation has a significant effect on job satisfaction through punishment.

Hypothesis 7: Rewards have a significant effect on job satisfaction through punishment



Source : Model Development,2023

Figure 1. Research design

Dependent Variable

Job satisfaction in the context of this research has a close relationship with compensation and rewards. The influence between these variables is based on logical and theoretical arguments from motivation theory and human resource management.

Reinforcement theory (Skinner, 1953) teaches that good and fair rewards can reinforce desired behavior. In this context, rewards such as bonuses, promotions or recognition for achievements can be seen as motivating employees to achieve their job goals and feel satisfied with their work.

Hypothesis 2: Rewards have a significant effect on punishment.

Hypothesis 4: Compensation has a significant effect on punishment.

Tabel 1. Variable Operationalization

Variabel/ Concept	Indicator	Scale
Compensation (Robbins, 2005)	- Amount of financial reward - Other benefits received by employees	1-5
Rewards (Colquitt et al., 2017)	- Bonus - Promotion - Recognition of achievements	1-5
Punishment (Hennessey & Amabile2, 2010)	- Planning - Surveillance - Coordination - Briefing - Evaluation - Staffing arrangements - Overall performance	1-5
Job satisfaction (Judge & Kammeyer-Mueller, 2012)	- Supervision - Colleague - Promotion - Salary	1-5

Source: Teory Summary, 2024

2.2. Data Collection

In this research, the dataset utilized comprises a blend of primary and secondary data. The primary data was gathered by administering an online questionnaire to the employees of PT Suka Sukaku, who served as the participants in this investigation. This questionnaire was designed to collect information regarding employee perceptions of the variables of compensation, rewards, punishment, and job satisfaction. Meanwhile, secondary data was used to support the theoretical framework and research context, which was taken from references such as Robbins & Timothy (2016) and Colquitt et al. (2017) The main data collection in this study was by distributing questionnaires to the staff of PT Suka Sukaku.

In this study, the number of respondents obtained was 314 employees of PT Suka Sukaku. To determine the size of the sample / respondent in quantitative research the formula is used

$$n = \frac{N}{1 + (N \times e^2)}$$

In the formula, n is the desired sample size, N is the population size (as if PT. Suka Sukaku has 1,450 employees), and e is the desired margin of error (in this case, $e = 0.05$).

$$n = \frac{1450}{1 + (1450 \times 0,0025)}$$

$$n = 313,5$$

Since the number of respondents must be a whole number, 314 employees/respondents were selected to fill out the questionnaire in this study.

2.3. Analysis Method

The use of analytical methods for this research is Partial Least Square Structural Equation Modeling (PLS-SEM). PLS-SEM is a powerful analysis method because it does not assume a normal distribution in the data and can be used with a relatively small sample (Imam, 2014) In this study, PLS-SEM was chosen because of the complex model and limited sample size. PLS-SEM uses a bootstrapping or random doubling method to test the significance of the model coefficients (Chin, 1998)

The analysis employing PLS-SEM comprises two main elements: the measurement model and the structural model. The measurement model assesses the validity and reliability of the constructs, while the structural model is employed to explore the relationships between the variables under investigation.

3. Results

3.1. Responden

Research data were obtained from 52 managers or leaders of SMEs in the Cikarang area with characteristics summarized in table 2.

Tabel 2. Data Responden

Variables	Total	Percent
Gender		
- Female	198	63.06%
- Male	116	36.94%
Age		
- Under 25 years old	200	63,69%
- Above 25 years old	114	36,31%
Form of Award		
- Bonus	164	52,23%
- Increase	100	31,85%
- Promotion	50	15,92%
Length of Service		
- < 2years	50	15,92%
- 3-5 years	110	35,03%
- 6-8 years	80	25,48%
- > 9 years	74	23,57%
Average salary earned		
- < 5 million	274	87,26%
- 5 million-10 million	25	7,96%
- 10 million-15 million	10	3,18%
- > 15 as well	5	1,59 %

Source: Processed questionnaire data, 2024

Respondents consisted of employees at various levels, covering different departments within the company, job levels, and levels of professional experience. Sampling was conducted based on a specific formula suitable for quantitative studies. The criteria covered were employees who were actively working at PT Suka Sukaku Status at the time of the survey which could include factors such as length of service in the company and forms of rewards. Questionnaires were used for data collection and aimed to cover variables such as rewards, compensation, punishment, and job satisfaction. The data collection process was conducted by ensuring the impartiality and anonymity of the respondents to enhance the honesty and validity of the answers. In addition, this sample was designed to produce a representative sample of the employee population of PT. Suka Sukaku.

3.2. Analisis

The outer test results used for validity and reliability testing are presented in table 3.

Table 3. Outer Model

Variabel/Indikator	<i>Outer Loading</i>	Crombah Alpha	Composite Reliability	Conclusion
Job Satisfaction	0.732	0.785	0.855	Valid
Compensation	0.781	0.855	0.925	Valid
Punishment	0.929	0.830	0.918	Valid
Award	0.945	0.877	0.935	Valid

Source: Hasil Pengolahan, 2024

All indicators on each variable are valid because they are greater than 0.7. All variables have also been reliable because they have met the cut off used in this study (crombach alpha job satisfaction 0.785; compensation 0.855; punishment 0.830 and Award 0.877 while composite reliability job satisfaction 0.855; compensation 0.925; punishment 0.918; Reward 0.935).

Table 4. Model Testing Index

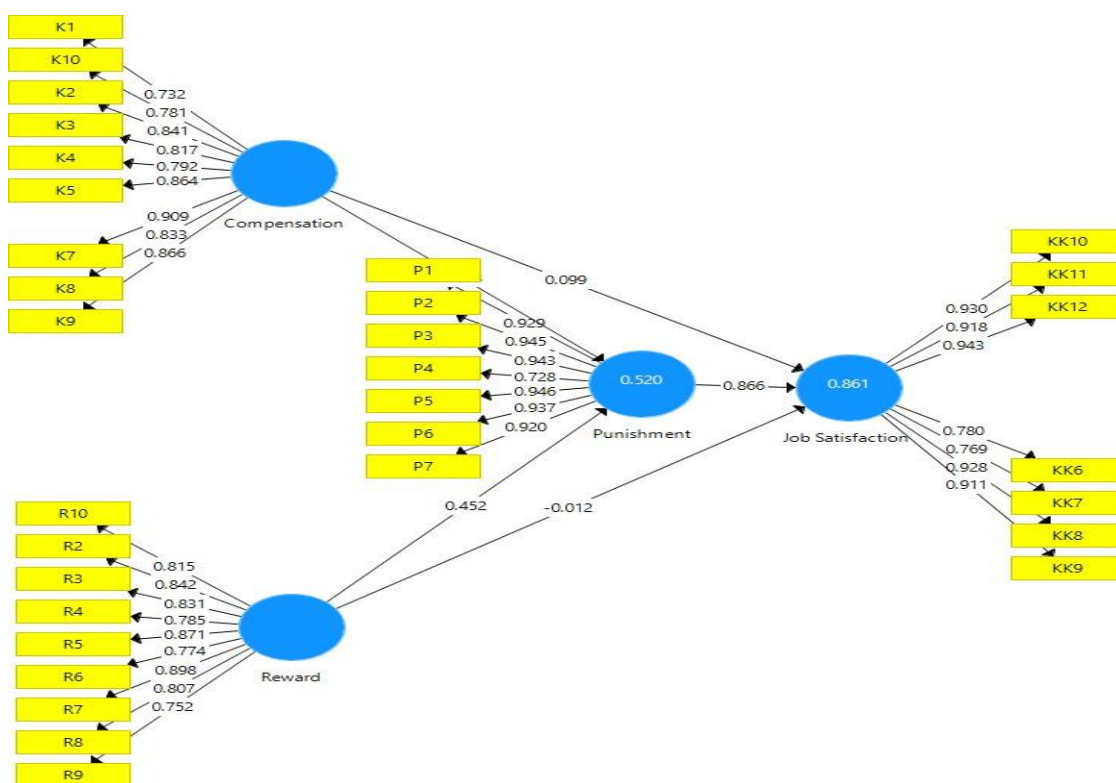
Endogenous Variabel	Cut of Value	Result Analysis	Model Evaluation
- Job Satisfaction	$\geq 0,20$	0,530	Fit
- Compensation	$\geq 0,20$	0,718	Fit

Source: Primary data processed, 2024

The examination of primary data in this study reveals that the data has been meticulously processed in alignment with the chosen analysis method. Validity and reliability have been affirmed through the assessment of outer loading, Cronbach's Alpha, and Composite Reliability (C.R.) values. The outcomes of these measurements instill confidence in the credibility and reliability of the data utilized in this study. Additionally, the evaluation of the model indicates its adherence to the predetermined R-squared (R²) criteria. Lastly, the examination of the interplay between variables presented in Table 3 uncovers significant influences within the research model,

including the direct impact of compensation, punishment, and reward on job satisfaction, as well as indirect effects mediated through punishment and reward. This data and analysis support the research findings, revealing intricate relationships among the variables under investigation in this study.

The figure below illustrates the results of estimating indicators to variables and visually represents the connections between variables in the research model. In this figure, it can be seen that all indicators have contributed significantly to forming their respective variables. For example, the KK indicator is the main indicator that forms the job satisfaction variable while the P indicator is the main indicator that plays a role in the formation of the punishment variable. In addition, indicator K is the main indicator that influences the compensation variable and indicator R is the main indicator that influences the reward variable. The results of this analysis illustrate the complex relationship between indicators and variables in the research model, which supports the research findings in this study.



Source: Research data processed, 2024

Figure 2. Third Modification Result

According to the findings in table 5, the analysis results for the initial hypothesis indicate a positive and substantial impact between disciplinary measures and job satisfaction, with a correlation coefficient of 0.896. This implies that as the severity of punishment faced by employees increases, their level of job satisfaction also rises.

The second hypothesis of the influence between rewards and punishments is also significant, indicating that the provision of fair rewards is positively correlated with the level of punishment experienced by employees. The third hypothesis also shows that there is a strong correlation or influence between the compensation received by employees and their level of job satisfaction.

Tabel 5. Estimasi

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation	P-Value	Conclusion
Punishment → Job Satisfaction	0.896	0.898	0.028	0.000	Significant
Reward → Punishment	0.868	0.876	0.075	0.000	Significant
Compensation → Job Satisfaction	0.179	0.175	0.068	0.009	Significant
Compensation → Punishment	-0.103	-0.110	0.082	0.212	Not Significant
Reward → Job Satisfaction	-0.122	-0.120	0.076	0,106	Not Significant
Compensation → Punishment → Job Satisfaction	-0.092	-0.099	0.073	0.208	Not Significant
Reward → Punishment → Job Satisfaction	0.778	0.0786	0.067	0.000	Significant

Source: Processed research data, 2024

However, the analysis of the fourth hypothesis revealed that the effect of compensation and punishment had no significant effect, stating that the implementation of punitive measures given by PT Suka Sukaku to employees who violated it has not been able to have a significant impact. The fifth hypothesis is that there is no significant effect between awards on job satisfaction, stating that employee job satisfaction is not only influenced by the provision of awards, but there are other variables that can also affect job satisfaction, for example motivation, salary increases, promotions and so on. The sixth hypothesis, namely the effect of compensation on job satisfaction through the role of punishment, has no significant effect, meaning that punishment will have no impact on compensation and job satisfaction. The seventh hypothesis is that the effect of rewards and job satisfaction through punishment has a significant effect..

4. Discussion

4.1. The effect of punishment on job satisfaction

From the results of the analysis that has been carried out, it appears that there is a significant correlation between the implementation of punishment and the level of job satisfaction at PT Suka Sukaku. This punishment has a positive role in increasing job satisfaction, because its good implementation can guide employees towards more positive behavior, encourage fear of mistakes, and have a positive impact on the work environment. The positive and significant influence between punishment and job satisfaction, with a correlation of 0.896, shows that the higher the level of punishment experienced by employees, the higher the level of job satisfaction they feel.

The results of this study are in accordance with research (Febrianti et al., 2014), which shows that rewards partially have an insignificant effect on job satisfaction. In addition, it is different from research from Firmansyah et al. (2021) which shows that rewards have a significant effect on job satisfaction.

Baroroh et al. (2023), Revealed that unpleasant actions in the form of punishment or sanctions are given disciplinarily to employees as a conscious act to prevent the recurrence of violations.

4.2. The effect of reward on punishment

The effect between rewards and punishment is also significant, indicating that the provision of fair rewards is positively correlated with the level of punishment experienced by employees, from the results of the analysis that has been carried out, it appears that the effect of rewards is very significant on punishment, and both reflect the internal culture of the company. If the company emphasizes positive rewards, employees will be encouraged to achieve high levels of achievement, as a form of recognition for these achievements. Conversely, if the company focuses more on discipline and accountability through the application of punishment, this will directly affect employee behavior. Noncompliance can lead to undesirable side effects. Punishment usually only exerts short-term pressure on unwanted behavior without truly eliminating it. Punishment is an unpleasant action in the form of a sanction, consciously given to employees when a violation occurs, aiming to prevent recurrence. Punishment is an unpleasant or unintended consequence imposed by a supervisor in response to certain actions. If used effectively, punishment can reduce negative behavior within the organization.

The results of this study are in accordance with research from Muqoyyarah (2018), which shows that rewards partially have a significant effect on employee performance. In addition, it is different from research from Nugraha & Tjahjawati (2018) which shows that rewards have an insignificant effect on employee performance.

4.3. The Effect of Compensation on job satisfaction

The analytical results of the study indicate a significant association between compensation and job satisfaction, with the compensation variable exhibiting a positive and statistically significant value. In this context, in the aspect of compensation as a condition for influencing employee job satisfaction has been well implemented.

Efforts to enhance job satisfaction can be attempted through proper compensation management, which involves recognizing employee compensation to help the organization boost commitment among its members. Compensation management is not only about financial rewards but also includes non-financial compensation that provides intrinsic or extrinsic motivation (Permadi et al., 2019). Several studies have shown that compensation affects the increase in employee job satisfaction (Chiekezie et al., 2017). If organizational management fails to formulate, manage, and implement compensation policies, the organization's best human resources will leave their jobs for better compensation offers elsewhere..

As per Hasibuan (2013), compensation refers to the remuneration provided to employees, either in the form of money or goods, directly or indirectly, as an acknowledgment for their service contributions to the company.

According to Zayed et al. (2022) compensation can be used to gauge a worker's motivation and job satisfaction. This indicates that the level of motivation an employee receives at work will lead to employee satisfaction with the job. When an employee is

satisfied with his or her job, the chance that such an employee will perform better than when he is not satisfied with the job is higher.

4.4. The Effect of Compensation on punishment

The study results indicate that the application of punitive measures by PT Suka Sukaku to employees who violate rules has not demonstrated a significant impact, despite the influence of compensation on punishment. While the compensation system is recognized as a factor that may enhance job satisfaction, it remains uncertain whether it genuinely affects the level of punishment experienced by PT Suka Sukaku employees.

The punishment is given generally has a good purpose so that employees who are negligent in working will be aware of their mistakes and try to correct the wrong way of working. Punishment is expected to direct/educate employees on positive behavior and encourage job satisfaction. There is an influence between punishment and job satisfaction. The higher the punishment, the higher the job satisfaction, and vice versa if the punishment is low, then the motivation will decrease (Nugrahaningsih, 2021). This opinion is supported by the results of empirical studies, therefore, companies need to have a clear mechanism of reward and punishment for their employees. This must be done to prevent misguided and fair rewards and punishments to employees.

These results show that the compensation obtained by employees has no impact on the punishment received. The company in providing punishment does not become the compensation received by employees is reduced, so that some employees ignore or do not care about the punishment given by the company. The company should act firmly and consistently on the punishments given, for example a salary cut.

4.5. The effect of reward on job satisfaction

The study findings indicate that, in PT Suka Sukaku, the reward variable and job satisfaction variable do not exert a significant impact. This suggests that employee job satisfaction is not solely determined by the bestowal of awards; other factors such as motivation, salary increments, promotions, and so forth, may also play a role in influencing job satisfaction.

A reward is an award given by a company to employees who excel or perform as expected. Rewards are away used to motivate someone to do good things and increase job satisfaction (Zaraket.W.S & Saber, 2017). The reward system is important because it facilitates the achievement of desired results (Alkandi et al., 2023). The reward creates passion and passion (Andresen et al., 2023). This is because if an employee is already passionate and enthusiastic about himself, he will automatically feel satisfied and perform his best at work. This has a very positive impact on the company because talented employees can help the company achieve its goals.

The results of this study also show that the rewards received by employees do not automatically make employees satisfied. There are several indicators that make employees less satisfied, including the rewards received are not what employees want. Companies need to consider that in providing rewards, they should be in accordance with the needs of employees so that it is hoped that employees will become more satisfied. If this is not implemented, it will have an impact on employee performance and motivation.

4.6. The Effect of Compensation on job satisfaction through punishment

The findings from this research reveal that the compensation and job satisfaction variables do not have a significant impact on PT Suka Sukaku. These outcomes diverge from a study conducted Herispon & Firdaus (2022), which proposed that disciplinary actions have an influence on job satisfaction, and remuneration plays a crucial role in the overall job satisfaction of employees.

This condition shows that the punishment given does not make the compensation obtained make employees satisfied. The company must take firm action with the support of rules made in accordance with company conditions. If the rules are carried out properly and correctly against all problems and achievements obtained by employees, it is expected to make employees satisfied. Compensation can be given in the form of financial or non-financial and given according to the company's ability and employee needs. Satisfaction is not only seen in terms of the size of the compensation received but also there is support for punishment when employees.

4.7. The effect of rewards on job satisfaction through punishment

The findings of this study show that rewards and job satisfaction through punishment have a significant impact. The provision of rewards by the company is associated with improved performance and better results. Therefore, it can be concluded that rewards and punishments can improve employee performance at PT Suka Sukaku.

Job satisfaction refers to the extent to which an employee feels positively toward the organization. Position satisfaction can refer to the employee's overall satisfaction with the position or specific aspects of the job or workplace, such as promotions, pay, and coworker relationships (Alrawahi et al., 2020)

Punishment is a process in all organizational activities or plays a role in the learning process in order to support the achievement of organizational goals, so it is necessary to understand what punishment is. Punishment is given when an unexpected behavior is displayed by the person concerned or the person concerned does not respond or does not display the expected behavior (Andrade & Westover, 2020)

recognition and rewards are primary drivers in boosting the efficiency and effectiveness of employees, as well as the ability of individuals and organizations to accomplish their mission and vision. It is essential for the management of the organizations studied to motivate their employees through both intrinsic and extrinsic means to enhance their performance. The results of this study are particularly useful for hospital administrators and policymakers. Reward and recognition are critical motivators that encourage employees to give their best effort, achieve outstanding results, and contribute to the overall success of the company (Mazllami, 2020)

5. Conclusion

Derived from the study findings, it can be inferred that there exists a noteworthy positive correlation between punitive measures implemented at PT Suka Sukaku and the satisfaction of the employees. Fair wages and good and fair compensation contribute positively to job satisfaction through the role of punishment as an intervening variable. These results support the first, second, and seventh hypotheses that fair compensation

and rewards have a positive effect on employee job satisfaction through the influence of punishment. However, the results also suggest that the direct relationship between pay, compensation and job satisfaction is not necessarily important, and point to the complexity of other factors that may mediate or moderate the relationship.

Suggestions for future research are to dig deeper to identify other factors that may influence the relationship between rewards, compensation, punishment and job satisfaction. Further research could consider situational variables such as organizational culture, leadership, or individual psychological factors that may moderate the impact of these variables. In addition, the study could expand the sample size or include different industries to test the generality of the results. The practical implications of this research can also be the basis for companies to improve their human resource management policies, especially in designing compensation and reward systems that can effectively increase employee job satisfaction.

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