THE EFFECT OF REWARD AND PUNISHMENT ON EMPLOYEE PERFORMANCE AT THE CIVIL SERVICE AND HUMAN RESOURCE DEVELOPMENT AGENCY OF NORTH LOMBOK REGENCY MEDIATED BY WORK MOTIVATION

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Abstract

This study aims to analyze the effect of reward and punishment on employee performance, with work motivation serving as a mediating variable at the Regional Personnel and Human Resource Development Agency (BKPSDM) of North Lombok Regency. This research employed a quantitative approach using a survey method involving 43 employees selected through a saturated sampling technique. Data were collected using a Likert-scale questionnaire, while data analysis was conducted using Structural Equation Modeling Partial Least Square (SEM-PLS). The results indicate that reward has a positive and significant effect on both employee performance and work motivation. Punishment was also found to have a positive and significant effect on employee performance and work motivation. Furthermore, work motivation has a positive and significant effect on employee performance. The mediation test results reveal that work motivation mediates the effect of reward on employee performance and also mediates the effect of punishment on employee performance. The findings suggest that the effective implementation of rewards can enhance employee morale, loyalty, and performance quality, while punishment applied proportionally and consistently can improve employee discipline and work responsibility. This study provides theoretical contributions to the development of human resource management studies, particularly regarding the relationship among reward, punishment, work motivation, and employee performance in the public sector. Practically, the findings highlight the importance of implementing a fair, transparent, and performance-based system of rewards and sanctions to improve employee motivation and performance in supporting organizational service quality.

Keywords: Reward, Punishment, Work Motivation, Employee Performance

INTRODUCTION

Government agencies are state-owned institutions that carry out public service functions at both the central and regional levels. In carrying out government duties and services to the community, the success of government organizations is highly determined by the quality of human resources owned. In the local government, the human resources known as the State Civil Apparatus (ASN) consisting of Civil Servants (PNS) and Government Employees with Employment Agreements (PPPK), and supported by Non-ASN employees or honorary personnel. Based on Government Regulation Number 48 of 2005 concerning the Appointment of Honorary Personnel to Become Civil Servant Candidates, an honorary employee is a person appointed by a personnel supervisory official or other official in the government to carry out certain duties in government agencies whose income is charged to the State Budget and Regional Budget.

In practice, Non-ASN employees are often the main support staff in helping to complete administrative and technical work in government agencies. Arifin (2018) explained that honorary employees have a great contribution in helping the smooth implementation of government duties, especially in agencies that have a limited number of ASN. This is strengthened by Badruttamam (2021) who states that the existence of Non-ASN employees is able to accelerate public services because it helps to meet the workload that has not been optimally implemented by ASN.

Employee performance is influenced by various factors, both from within the individual and the organizational environment. One of the factors that is considered important in improving employee performance is rewards or awards. Moorhead and Griffin (2013) stated that rewards are part of the psychological contract between employees and organizations that function to meet employee needs and encourage positive work behavior.

In addition to rewards, another factor that affects employee performance is punishment or punishment. According to Mangkunegara (2013), punishment is a threat of punishment that aims to improve the behavior of employees who violate the rules, maintain discipline, and provide a deterrent effect to violators. Hasibuan (2004) explained that punishment is necessary to maintain employee discipline so that organizational goals can be achieved effectively.

Previous research has shown that rewards and punishments have an influence on employee performance, but the results of the study are still inconsistent. Rewards have been shown to increase employee motivation and performance (Khan et al., 2023; Nguyen et al., 2024), but Alshmemri et al. (2023) found that rewards do not always have a significant effect if employees prioritize job stability. On the other hand, punishment is also considered to be able to improve employee discipline and performance (Alrowwad et al., 2023; Rahman et al., 2024), although Kim and Park (2023) show that punishment is ineffective without the support of a good reward system and work motivation. These differences in results show that there is a research gap related to the effect of rewards and punishments on employee performance in the public sector.

Work motivation is seen as an important factor that can affect employee performance (Mangkunegara, 2017) and acts as a mediating variable in the relationship between reward and punishment on performance. Putra et al. (2024) and Lee and Chen (2023) proved that work motivation is able to mediate the influence of rewards and punishments on employee

performance. However, research on the role of work motivation as a mediating variable in local government agencies, especially in the BKPSDM of North Lombok Regency, is still limited so it is a novelty in this study.

Some indications of achievement based on organizational performance items that are still low are quality staffing services, the percentage of civil servants who have good performance assessments, and the number of cases of civil servant discipline violations. The achievements obtained can be seen in the table below,

Table 1
Medium-Term Achievement of BKPSDM Services in North Lombok Regency

No.	Item	Achievement (%)					
		2020	2021	2022	2023	2024	2025
1.	Quality Staffing Services	10	50	60	65	57	59
2.	Percentage of ASN who have a good performance assessment	80	80	80	80	80	80
3.	Number of Cases of ASN Disciplinary Violations	11	12	16	10	7	6

Source : LAKIP BPKSDM

Based on the achievement data of the North Lombok Regency BKPSDM, the quality of personnel services is still fluctuating even though the assessment of ASN performance based on the SKP remains high. This condition shows that there is a discrepancy between the results of performance appraisals and the quality of services provided. In addition, cases of civil servant discipline violations that had increased and then decreased indicated that the implementation of punishment had begun to have an impact on work discipline, but had not been able to improve the quality of service optimally.

This phenomenon shows that the reward and punishment system is suspected to not be fully able to increase employee motivation and performance. Therefore, this study was conducted to analyze the influence of work environment, rewards, and punishments on employee performance at BKPSDM North Lombok Regency.

RESEARCH METHOD

This study uses a causal associative research approach to analyze the causal relationship between reward and punishment on employee performance with work motivation as a mediating variable in BKPSDM North Lombok Regency (Silalahi, 2010). The research was carried out at the Personnel and Human Resources Development Agency of North Lombok Regency using the census method, so that the entire population of 43 employees, consisting of 27 civil servants and 16 non-civil servants, was used as research respondents (Sugiyono, 2011).

The research data consists of qualitative and quantitative data sourced from primary data through the distribution of questionnaires and secondary data in the form of agency documents and supporting literature. Data collection techniques are carried out through questionnaires, documentation, and observations. The research instrument was tested using a validity test with Pearson Product Moment correlation and a reliability test using Cronbach's Alpha with a minimum value of 0.60 (Sujianto, 2009).

Data analysis was carried out using Partial Least Square (PLS) with the help of SmartPLS 4.0 software. According to Ghozali (2012), PLS is a variant-based method that can be used to test the relationship between latent variables and has good predictive capabilities. The analysis was carried out through testing the outer model and the inner model. The outer model was evaluated through convergent validity, discriminant validity, Average Variance Extracted (AVE), composite reliability, and Cronbach's Alpha. Meanwhile, the inner model was evaluated using R-square values, Q-square predictive relevance, and path coefficient significance tests through the bootstrapping method. Hypothesis testing was carried out by comparing the t-statistical value to the t-table of 1.960 at a significance level of 5% (Ghozali, 2012).

RESULTS AND DISCUSSION

Outer Model Convergent Validity Test

This convergence measurement shows whether each question item measures the similarity of the dimensions of the variable. Rule of thumb according to Hair et al. (2010), the loading factor value above 0.7 is said to be ideal which means that the indicator is valid, even though a value above 0.5 is acceptable so a value below 0.5 must be excluded from the model. In addition, valid indicators can be seen from validation through the comparison of t statistics with the t values of the table where the t value of the statistics must be ≥ t table. To see t, the table used a significance level of 5 % and df is the number of respondents minus the number of variables (independent and dependent). For further explanation, you can see the following table and figure.

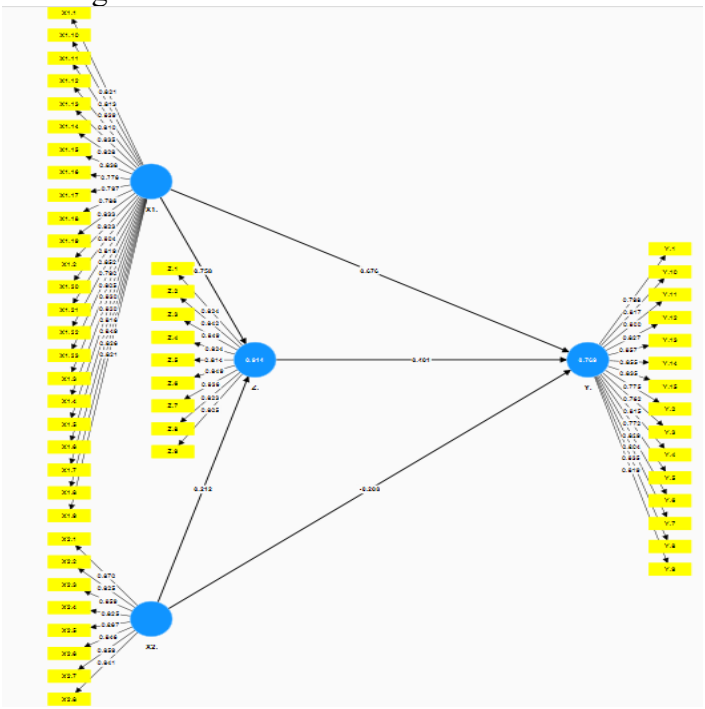


Figure 1
Structural Model Outer Model Diagram

All indicators in the variables of employee performance, reward, punishment, and work motivation have a loading factor value above 0.70. This shows that all indicators are able to explain the measured constructs strongly and consistently. None of the indicators had a loading factor value below the required minimum, so no indicators needed to be eliminated from the research model. Thus, it can be concluded that all indicators in this research model meet the criteria of convergent validity, both based on the value of the loading factor and its statistical significance.

Discriminant Validity

Discriminant Validity is the extent to which a construct is completely different from another. Thus, the high discriminant validity provides evidence that the construct is unique and captures some phenomena that other measures do not possess (Hair et al., 2014). To prove the discriminant validity of a niali model, AVE must have a > value of 0.50 or higher (Hair et al., 2014);. The descriminant validity of the measurement model with reflective indicators is assessed based on the cross loading of the measurement with the construct. According to Ghozali & Latan, (2015); The Discrimination Validity method is to test the validity of the discriminant with a reflexive indicator, namely by looking at the cross loading value for each variable must be >0.5.

Table 2
Data Discriminant Validity

Latency variable	AVE	Indicator	Criteria
Employee Performance	0.671	> 0,5	Valid
Reward	0.721	> 0,5	Valid
Punishment	0.662	> 0,5	Valid
Work Motivation	0.688	> 0,5	Valid

Based on Table 2, the results of the discriminant validity test showed that all latent variables in the study had an Average Variance Extracted (AVE) value above 0.50. According to Hair et al. (2014), a construct is declared to have good discriminant validity if the AVE value is greater than 0.50. This shows that the construct is able to explain more than 50% of the variance of the indicators, so that the construct can be said to be valid and able to distinguish itself from other constructs in the research model. Overall, the results of the discriminant validity test show that all latent variables in this study have met the criteria for discriminant validity. Thus, each research construct, namely reward, punishment, work motivation, and employee performance, is proven to have different characteristics from each other and is able to measure the concepts that should be measured. Therefore, the measurement model in this study is declared feasible to be used at the next stage of analysis.

Reliability Test

The reliability test of latent variables measured by composite reliability and Cronbach's alpha from a set of indicators from each latent variable. A set of latent variable indicators is declared reliable if Cronbach's Alpha value is >0.6 and the Composite Reliability value is > 0.7.

Table 3
Composite Reliability and Cronbach's Alpha Values

Variable Leave	Amount of Data	Composite Reliability	Cronbach's Alpha
Employee Performance	15	0.978	0.978
Reward	23	0.945	0.945
Punishment	8	0.963	0.964
Work Motivation	9	0.943	0.944

Based on Table 3, the results of the Composite Reliability and Cronbach's Alpha tests showed that all latent variables in the study had values above 0.70 so that they were declared reliable. According to Hair et al. (2014), the construct is said to be reliable if the Composite Reliability and Cronbach's Alpha values are greater than 0.70, which means that the indicator is able to measure variables consistently and stably. The Employee Performance variable obtained a Composite Reliability and Cronbach's Alpha value of 0.978, the Reward variable of 0.945, the Punishment variable of 0.963 and 0.964, and the Work Motivation variable of 0.943 and 0.944. All of these values are above the specified minimum limit.

R-Square Value

The R-Square value is used to measure the degree of variation of changes in independent variables to dependent variables. Ghozali & Latan (2015); categorizes R-Square values into three categories:

1. An R-Square value of 0.75 indicates that the model is strong.
2. An R-Square value of 0.50 indicates that the model is moderate.
3. An R-Square value of 0.25 indicates that the model is weak.

The following is a table from R-Square:

Table 4
R Square Values

	R-square	Adjusted R-square
Y.	0.769	0.768

Based on the R-square and Adjusted R-square value tables, it is known that the Employee Performance variable (Y) has an R-square value of 0.769 and Adjusted R-square of 0.768. These results show that the variables of reward, punishment, and work motivation are able to explain the employee performance variables of 76.9%, while the remaining 23.1% are explained by other variables outside the research model. The R-square value of 0.769 shows that the research model has a strong ability to explain the variation in employee performance in the North Lombok Regency BKPSDM. In addition, the Adjusted R-square value, which is not much different from the R-square value, shows that the research model is good and stable to be used in explaining the relationship between variables in this study.

Q Square Value

Q-square is a useful tool for assessing the reliability of regression models. A Q-square value that indicates a number greater than 0 can explain the variation in data well, while a Q-square value that is less than 0 indicates that the regression model is not good.

Table 5
Q Square Values

Y	0.505

Based on Table 5, it is known that the Q-Square value in the Employee Performance variable (Y) is 0.505. The value is greater than 0 ($Q^2 > 0$), thus showing that the research model has good predictive relevance.

Hypothesis Test

The purpose of hypothesis testing is to statistically test the correctness of a hypothesis or assumption statement and draw conclusions whether to accept or reject the hypothesis or assumption statement. In the hypothesis test, this study uses several criteria that must be met, namely the original sample value, t-statistical value and probability value through Bootstrapping in PLS. The following are the values of the original sample, t-statistic and p-value of each hypothesis in this study:

Table 6
Hypothesis Test Results

	Original sample (O)	Sample average (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P value (P values)	Remarks
X1 -> Y.	0.676	0.670	0.103	6.537	0.000	Accepted
X1. -> Z.	0.758	0.757	0.042	17.864	0.000	Accepted
X2. -> Y.	0.208	0.198	0.102	2.034	0.042	Accepted
X2. -> Z.	0.212	0.213	0.044	4.840	0.000	Accepted
Z. -> Y.	0.401	0.397	0.078	5.144	0.000	Accepted
X1. -> Z -> Y.	0.304	0.302	0.066	4.597	0.000	Accepted
X2. -> Z -> Y.	0.085	0.084	0.021	4.152	0.000	Accepted

Based on Table 4.13, the results of hypothesis testing showed that all relationships between variables had a P value of < 0.05 and a T-statistical value of > 1.96, so that all hypotheses in this study were declared accepted.

1. The test results showed that the original sample value was 0.676, the t-statistic value was 6.537 > 1.96, and the P-value was 0.000 < 0.05. These results show that rewards have a positive and significant effect on employee performance, so the first hypothesis (H1) is accepted. These findings indicate that the better the rewards provided by the North Lombok Regency BKPSDM, both in the form of awards, recognition, promotions, and

additional income, the higher the performance of employees in carrying out their duties and job responsibilities.

2. The test results showed that the original sample value was 0.758, the t-statistic value was 17.864 > 1.96 and the P-value was 0.000 < 0.05. These results show that rewards have a positive and significant effect on work motivation, so the second hypothesis (H2) is accepted. This means that providing the right rewards can increase employee work motivation. Employees who feel appreciated for their achievements and contributions will be more motivated to work better, achieve work targets, and provide optimal service for the agency.
3. The test results showed that the original sample value was 0.208, the t-statistic value was 2.034 > 1.96 and the P-value was 0.042 < 0.05. Thus, punishment has a positive and significant effect on employee performance so that the third hypothesis (H3) is accepted. These findings show that the application of appropriate and proportionate punishment is able to increase employee discipline and responsibility at work. The existence of sanctions for violations of the rules makes employees more careful and try to improve the quality of their performance.
4. The test results showed that the original sample value was 0.212, the t-statistical value was 4.840 > 1.96 and the P-value was 0.000 < 0.05. These results show that punishment has a positive and significant effect on work motivation, so the fourth hypothesis (H4) is accepted. This means that the application of clear and fair punishment can encourage employees to work more disciplined, comply with organizational rules, and increase motivation to do their job well.
5. Based on the test results, the original sample value was 0.401, the t-statistic value was 5.144 > 1.96 and the P-value was 0.000 < 0.05. Thus, work motivation has a positive and significant effect on employee performance so that the fifth hypothesis (H5) is accepted. This means that the higher the employee's work motivation, the higher the performance produced. Employees who have a high work ethic, motivation for achievement, and commitment tend to be able to complete work optimally and responsibly.
6. The test results showed that the original sample value was 0.304, the t-statistic value was 4.597 > 1.96 and the P-value was 0.000 < 0.05. This proves that work motivation is significantly able to mediate the effect of rewards on employee performance. Thus, the sixth hypothesis (H6) is accepted. These findings show that rewards not only have a direct effect on employee performance, but also be able to increase employee work motivation first, which ultimately has an impact on improving employee performance at BKPSDM North Lombok Regency.
7. The test results showed that the original sample value was 0.085, the t-statistic value was 4.152 > 1.96 and the P-value was 0.000 < 0.05. These findings show that work motivation is significantly able to mediate the influence of punishment on employee performance. Thus, the seventh hypothesis (H7) is accepted. This means that the application of appropriate punishment is able to increase employee motivation to work more disciplined and responsible, so that it ultimately has an impact on improving employee performance in carrying out duties and services at the North Lombok Regency BKPSDM.

Reward Affects Performance

The results of the study showed that rewards had a positive and significant effect on employee performance at BKPSDM North Lombok Regency, with a path coefficient value of 0.676, T-statistics of 6.537, and P-values of 0.000. These findings indicate that the more effective the reward system implemented by the organization, the higher the employee performance. Rewards are able to increase employee morale, responsibility, productivity, and quality of work through awards, promotions, career development, and incentives provided by the organization.

The results of this study are in line with the Two Factor Theory from Frederick Herzberg which states that awards, recognition, and development opportunities are motivating factors that can increase employee satisfaction and work achievement. In addition, the reinforcement theory from B. F. Skinner also explains that the behavior given to rewards tends to be repeated so that rewards can form positive work behavior of employees.

The characteristics of the respondents, which are dominated by productive age, S1 education, and 6–10 years of service, show that employees have a strong orientation towards work achievement and career development so that they are more responsive to the reward system. This is supported by the results of the description of the reward variable which obtained an average score of 4.47 with a very effective category, especially in the indicators of personal growth and employee competency development. Meanwhile, the employee performance variable obtained an average score of 4.22 with a very high category, especially in the indicator of work independence.

The findings of this study are also in line with the research of Pradnyani and Surya (2020), Rahmawati and Hidayat (2021), Saputra et al. (2022), and Wibowo (2020) who stated that rewards have a positive effect on increasing employee motivation, loyalty, productivity, and performance. Thus, rewards are an important instrument in improving professionalism and employee performance, so organizations need to maintain and develop a fair, consistent, and merit-based reward system.

Punishment Affects Performance

The results of the study showed that punishment had a positive and significant effect on employee performance at the North Lombok Regency BKPSDM, with a path coefficient value of 0.208, T-statistics of 2.034, and P-values of 0.042. These findings indicate that the application of strict, fair, and consistent punishment is able to increase employee discipline, compliance, and responsibility at work. Punishment encourages employees to be more careful, comply with organizational rules, and avoid mistakes and work violations that have an impact on improving performance.

The results of this study are in line with the reinforcement theory of B. F. Skinner which states that individual behavior can be shaped through received consequences, including punishment to reduce negative behavior. In addition, Keith Davis' work discipline theory explains that the right sanctions can increase employee compliance and create work order that supports the improvement of organizational performance.

The characteristics of the respondents, which are dominated by productive age, S1 education, and 6-10 years of service, show that employees have good experience and understanding of the importance of punishment in maintaining work professionalism. This is supported by the results of the description of the punishment variable which obtained an

average score of 4.28 with a very effective category, especially in the medium punishment dimension related to the delay of salary increases for employees who violate the rules. Meanwhile, the employee performance variable obtained an average score of 4.22 with a very high category, especially in the indicators of effectiveness, punctuality, and work independence.

The findings of this study are in line with the research of Rahman and Syahrani (2021), Saputri and Handayani (2022), and Luthans (2018) who stated that punishment applied objectively, fairly, and consistently can increase employee discipline, responsibility, and work effectiveness. However, the effect of punishment on performance is known to be smaller than reward, so organizations need to apply punishment proportionally and continue to prioritize coaching so as not to reduce employee morale. Thus, punishment is an important instrument in creating discipline and supporting the improvement of employee performance at the North Lombok Regency BKPSDM.

Reward Affects Work Motivation

The results of the study showed that rewards had a positive and significant effect on employee work motivation at BKPSDM North Lombok Regency, with a path coefficient value of 0.758, T-statistics of 17.864, and P-values of 0.000. These findings show that rewards have a very strong influence on increasing employee work motivation. The better the reward provided by the organization, the higher the employee's motivation to work in carrying out their duties and responsibilities. Rewards in the form of awards, promotions, competency development, leadership recognition, and additional income are able to increase work morale and encourage employees to provide the best work results for the organization.

The results of this study are in line with the Expectancy Theory from Victor Vroom which states that individuals will be motivated if they believe that the effort made will result in valuable rewards. In addition, David McClelland's achievement needs theory explains that rewards for work achievements can increase individual motivation to continue to excel and improve the quality of work.

The characteristics of the respondents, which are dominated by productive age, S1 education, and 6–10 years of service, show that employees have a career development orientation and are more responsive to the reward system. This is supported by the results of the description of the reward variable which obtained an average score of 4.47 with a very effective category, especially in the indicators of personal growth and employee competency development. Meanwhile, the work motivation variable obtained an average score of 4.42 with the category of highly motivated, especially in the indicators of affiliation needs and work responsibilities.

The findings of this study are in line with the research of Putra and Frianto (2019), Sari and Hadijah (2022), Kurniawan and Alimudin (2021), Nasution and Ichsan (2020), and Yuliana and Wahyudi (2023) which stated that rewards have a positive effect on employee work motivation. Rewards that are fair, transparent, and according to merit can increase work morale, loyalty, discipline, and employee commitment to the organization. Thus, rewards are an important instrument in increasing employee work motivation at the North Lombok Regency BKPSDM.

Punishment Affects Work Motivation

The results of the study showed that punishment had a positive and significant effect on employee work motivation at the North Lombok Regency BKPSDM, with a path

coefficient value of 0.212, T-statistic of 4.840, and P-values of 0.000. These findings indicate that the application of clear, firm, and consistent punishment can increase employee work motivation. Employees become more disciplined, responsible, and careful in their work because of the consequences of violating the rules, so they are encouraged to improve the quality of work to avoid sanctions.

This result is in line with B. F. Skinner's reinforcement theory which states that individual behavior can be shaped through consequences, including punishment to reduce negative behavior. In addition, goal setting theory from Edwin Locke explains that the existence of clear work standards and consequences can increase individual motivation to achieve targets and maintain work discipline.

The characteristics of the respondents, which are dominated by productive age, S1 education, and 6-10 years of service, show that employees have good experience and understanding of the organizational system, so that they are able to receive punishment as part of work control.

This is supported by the results of the description of the punishment variable which obtained an average score of 4.28 with a very effective category, especially in the medium punishment indicator in the form of a delay in salary increase. Meanwhile, the work motivation variable obtained an average score of 4.42 in the category of highly motivated, especially in the indicators of power needs and achievement needs.

These findings are in line with the research of Hidayat and Taufik (2021), Siregar and Lubis (2020), Wahyuni and Prasetyo (2022), and Ramadhan and Fitriani (2021) which stated that punishment applied fairly, objectively, and consistently can increase employee discipline, compliance, and work motivation. However, the effect of punishment on work motivation is still lower than reward, so organizations need to apply punishment proportionally and continue to prioritize a coaching approach. Thus, punishment remains an important factor in increasing employee work motivation at the North Lombok Regency BKPSDM.

Motivation Affects Employee Performance

The results of the study showed that work motivation had a positive and significant effect on employee performance at the North Lombok Regency BKPSDM, with a path coefficient value of 0.401, T-statistic of 5.144, and P-values of 0.000. These findings indicate that the higher the employee's work motivation, the higher the performance produced. Work motivation is an important factor in encouraging employees to work more disciplined, responsible, productive, and oriented towards achieving organizational targets.

This result is in line with David McClelland's theory of needs which explains that motivation is influenced by the need for achievement, power, and affiliation, as well as Abraham Maslow's theory of hierarchy of needs which states that the fulfillment of social needs, rewards, and self-actualization will increase the motivation of individuals to work more optimally.

The characteristics of the respondents, which are dominated by productive age, S1 education, and 6-10 years of service, show that employees have good experience and work maturity so that they have high motivation in achieving organizational targets. This is supported by the results of the description of work motivation variables which obtained an average score of 4.42 in the category of highly motivated, especially in the indicators of affiliation, power, and achievement needs. Meanwhile, the employee performance variable

also showed a very high category with an average score of 4.22, especially in the indicators of independence, effectiveness, and punctuality of work.

These findings are in line with the research of Handoko and Rambe (2021), Fitriani and Sulaiman (2020), Prasetyo and Wulandari (2022), and Hidayati and Kurniawan (2021) which stated that work motivation has a positive effect on employee performance because it increases productivity, discipline, loyalty, and work commitment. Thus, work motivation has a very important role in improving employee performance at the North Lombok Regency BKPSDM, so the organization needs to continue to create a work environment that supports increasing employee motivation

Work motivation is able to mediate the influence of rewards on employee performance

The results of the study showed that work motivation was able to mediate the effect of rewards on employee performance in the North Lombok Regency BKPSDM positively and significantly, with an indirect effect value of 0.304, T-statistic of 4.597, and P-values of 0.000. These findings indicate that rewards not only have a direct effect on performance, but also increase work motivation which then has an impact on improving employee performance.

Rewards given in the form of awards, promotions, competency development, recognition, and incentives are able to create internal encouragement for employees to work more disciplined, responsible, and optimally. The increased work motivation encourages employees to complete work better, on time, and contribute optimally to the organization.

These results are in line with Victor Vroom's Expectancy Theory and Frederick Herzberg's Two Factor Theory which explains that rewards and recognition can increase work motivation which ultimately has an impact on performance improvement.

The characteristics of the respondents, which are dominated by productive age, S1 education, and 6-10 years of service, show that employees have a good career orientation so that they are more responsive to rewards. This is supported by the results of the description of reward variables (4.47 categories are very effective), work motivation (4.42 categories are highly motivated), and employee performance (4.22 categories are very high), which shows a positive relationship between variables.

These findings are also in line with the research of Sari and Nugraha (2021), Putri and Hartono (2022), Maulana and Hidayat (2020), and Firmansyah and Dewi (2023) which stated that work motivation plays a mediating variable in the relationship between rewards and employee performance. Thus, the effectiveness of rewards in improving performance is largely determined by their ability to build employee work motivation.

Work motivation is able to mediate the effect of punishment on employee performance

The results showed that work motivation was able to mediate the effect of punishment on employee performance in the North Lombok Regency BKPSDM positively and significantly, with an indirect effect value of 0.085, T-statistic of 4.152, and P-values of 0.000. These findings indicate that punishment not only has a direct effect on performance, but also increases work motivation which then has an impact on improving employee performance.

Punishment that is applied clearly, firmly, and consistently is able to form work discipline and encourage employees to be more careful, obey the rules, and improve the quality of work to avoid sanctions. This condition shows that punishment functions not only as a punishment, but also as a means of controlling and fostering work behavior.

These results are in line with B. F. Skinner's reinforcement theory and Edwin Locke's goal setting theory, which explains that clear consequences in an organization can shape positive work behavior and increase motivation to achieve work goals.

The characteristics of the respondents, which are dominated by productive age, S1 education, and 6-10 years of service, show that employees have a good understanding of the organizational system, so that they are able to receive punishment as part of work control. This is supported by the results of the description of the punishment variable (4.28 in the very effective category), work motivation (4.42 in the very motivated category), and employee performance (4.22 in the very high category), which shows a positive relationship between variables.

These findings are also in line with the research of Arifin and Prasetyo (2021), Lestari and Hidayat (2022), Ramadhani and Putra (2020), and Yusuf and Amelia (2023) who stated that work motivation is able to mediate the influence of punishment on employee performance. However, the indirect effect of punishment through work motivation is smaller than reward, so punishment needs to be applied proportionally and accompanied by a coaching approach so as not to cause excessive work pressure.

CONCLUSION

Based on the results of the research and discussion, it can be concluded that rewards and punishments have a positive and significant effect on employee performance at the North Lombok Regency BKPSDM. Rewards and punishments also have a significant effect on work motivation, and work motivation has a positive effect on employee performance. This shows that the better the implementation of rewards and punishments in the organization, the more work motivation will be increased and ultimately have an impact on improving employee performance. In addition, work motivation has been proven to be able to mediate the influence of rewards and punishments on employee performance, which shows that performance improvement is not only directly influenced by rewards and punishments, but also through increasing employee work motivation as the main driving factor in increasing work effectiveness.

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