SUMMARY

Galih Dwi Koencoro, 2013, **Effect of Reward and Punishment Againts Performance** (survey on PT. INKA (Persero) Madiun employee)Dr. Mochammad Al Musadieq, MBA, Drs. Heru Susilo, MA 93 Pages + xi

Human resource issues are still in the spotlight and the foundation for the company to continue to survive in the era of globalization. The importance of the role of human resources is reflected in the company's needs to create a human resource management strategy aligned with strategic importance in other fields. To achieve its goals, company needs human resources (employees) that qualified. Quality or performance of employees should always be maintained and enhanced, one way is with the implementation of reward and punishment.

This study aims to analyze and describe Employee Reward variables, Employee Punishment variable, and the performance of employees variables at PT. INKA (Persero) Madiun, and to analyze and explain the influence and effects of simultaneous partial, Employee Reward variable, Employee Punishment variable, and the performance of employees variable at PT. INKA (Persero) Madiun. This type of research is survey research that have the quality of explanation (explanatory research). The number of samples in this study were 89 full-time employees. Analysis of the data in this study using multiple linear regression analysis were processed using the computer program SPSS 17.0 for Windows.

Descriptive statistical analysis of the results it can be seen that the results of the respondents' answers to Reward Employees variables ($X1$) is in good category, Employee Punishment variable ($X2$) is in good category, and employee performance variable (Y) is in good category. Sig. hypothesis testing results are known. $F \leq$ sig. α ($0.05 \leq 0.000$) showed significant effect of the variable simultaneous Reward Employees ($X1$) and Punishment Employees ($X2$) on the performance of the employee (Y). It can also be known sig. $t \leq$ sig. α ($0.05 \leq$

0.000) showed significant effect of the variable partial Reward Employees (X1) and Punishment Employees (X2) on the performance of the employee (Y). Adjusted R Square value of 0.548 indicates that the variable Reward Employees (X1), and Punishment Employees (X2), simultaneously contributing to employee performance variable (Y) by 54.8%, while the remaining 45.2% is contributed by the variable that are not included in this study. In this study also showed that the variables Reward Employees (X1) partially contributes to employee performance variable (Y) by 37.6% and Punishment Employee variable (X2) partially contributes to employee performance variable (Y) by 15, 3%.