

SUMMARY

Fazri Mustafa Hidayat, 2015. *The Effect of Reward and Punishment toward the Work Motivation and the Impact toward Work Performance (A Study of the Employees of PT Telekomunikasi Indonesia Tbk. Area Malang)*. Dr. Mochammad Al Musadieq, M.BA., Drs. HeruSusilo, MA.

This study was conducted to explain and clarify: (1) the direct impact of reward towards work motivation; (2) the direct impact of punishment towards work motivation; (3) the direct impact of reward towards work performance; (4) the direct impact of punishment towards work performance; and (5) the direct impact of work motivation towards work performance.

The character of this conducted research is explanatory research with quantitative approach. The variables in this research are reward, punishment, work motivation, and work performance. The population of this research is the whole employees of PT. Telekomunikasi Indonesia Tbk in the area of Malang in the sum of 194 people. The sample of this research is part of the employees, which are 66 people. In this research, the method of data collecting that is applied is through questionnaires. The applied analyses are descriptive analysis and path analysis.

From the result of descriptive analysis, it can be concluded that: (1) based on the average score of the reward variable (grand mean) which is 4.24 it's discovered that the majority of the respondent reward that was given by the company fits the employees' expectations; (2) observed from the total mean of punishment variable (grand mean) which is 4.09 the majority of the respondents agreed that a very strict punishment can increase the quality and the work contribution of the employees; (3) perceived from the average score of work motivation variable (grand mean) which is 4.27 then it can be discovered that the respondents have a high-level work motivation; (4) perceived from the average score of work variable (grand mean) which is 4.32 then it can be concluded that the respondents agreed to have committed a well work performance.

The result of path analysis shows that: (1) reward variable (X1) and punishment (X2) significantly and positively affected the work motivation variable (Z); (2) reward variable (X1), punishment (X2) and work motivation (Z) also significantly and positively affected the work performance variable (Y). This concludes that the employees of PT. Telekomunikasi Indonesia Tbk. in the area of Malang contribute well work performance to experience every challenge so that they can work well and give best services for the consumers from the communication company of this country.

Keywords: Reward, Punishment, Work Motivation, Work Performance