Reward and Punishment System at Alfamart Said Sudirman

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Article Info

ABSTRACT

This research is entitled Reward and Punishment System at Alfamart Said Sudirman. This research was conducted to examine the implementation of reward and punishment systems at Alfamart as one of the main players in the minimarket industry in Indonesia. The location of this research was conducted on Jl. Jenderal Sudirman, Sahid City Complex, Karet Tengsin, Tanah Abang, Central Jakarta, DKI Jakarta. With a focus on the effectiveness of these strategies in motivating employees and managing rule violations, this study aims to provide an in-depth picture of Alfamart's efforts in maintaining employee performance amid fierce competition. The research method used is a qualitative approach with a descriptive type of research, involving observation and interviews with HRD Alfamart to obtain the information needed to compile research. The results showed that Alfamart implemented a reward strategy in the form of rewards for employee achievements and punishment in response to violations of rules. The conclusions and suggestions provided emphasize the importance of communication, transparency, and periodic evaluation in the implementation of both strategies.

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1. INTRODUCTION

The retail industry, especially the minimarket sector, is an important link in the process of distribution of goods and is the last link in a distribution process that connects producers with consumers [1]. Alfamart as one of the minimarket sectors can fulfill the daily needs of the community to be more easily fulfilled because of the existence of retail in the community environment so that it is efficient in terms of time. Increasingly fierce competition in the minimarket sector requires Alfamart to continue to improve its operational efficiency. In facing this challenge, companies need to ensure that employee management systems, including reward and punishment systems, can be effectively implemented to motivate and maintain employee performance. [2]. Research on the relationship between rewards and employee performance has been done before. [3] in their research found that rewards have a positive effect on employee performance. From this research, it can be concluded that the implementation of an effective reward system can be the key to

increasing employee motivation and productivity in an organization [4]. Therefore, it is recommended that companies seriously consider developing the right reward strategy as a strategic effort to increase motivation, performance and positive contributions from employees. This motivation will be reflected in the work ethic that will affect the overall productivity of the company [5]. According to Paramarta in [6] revealed that reward is a positive attention that employees get from the company. This is done in order to provide motivation and enthusiasm so that the existing workforce is able to carry out its responsibilities with the best results [7].

One aspect that plays a crucial role in employee management and business performance improvement is the reward and punishment system [8]. This phenomenon creates a dynamic work environment and affects employee motivation and behavior [9]. Reward is one of the company's efforts to empower human resources and improve employee performance in the company. The forms of rewards vary, there are in the form of bonuses, promotions, additional responsibilities which for employees can be a burden but for some other employees it can be a point of appreciation for themselves. Reward is one of the basic needs for employees, apart from being a high work motivation, reward also means that the employee is considered to exist in the company. With a reward, employees will feel that their efforts in achieving are appreciated by the company, and this certainly spurs and motivates employees to perform even better [10].

Based on the results of preliminary observations conducted on January 2, 2024 to HRD at Alfamart Said Sudirman, information was obtained that Alfamart, as one of the main retailers in the minimarket industry in Indonesia, faces challenges to maintain and improve employee performance amid increasingly fierce competition. Performance is a mental attitude. A mental attitude that always looks for improvements to what already exists. A belief that one can do a better job today than yesterday and tomorrow is better today. From this opinion it can be

concluded that employee performance is the result of a complex interaction between various factors and one of the factors that plays a major role in shaping employee performance is motivation. Motivation is the provision of driving force that creates someone's work enthusiasm so that they want to work together, work effectively, and integrate with all their efforts to achieve satisfaction. From this opinion, it can be concluded that the level of individual motivation can be influenced by a number of things, including a sense of achievement, job satisfaction, and job challenges. Therefore, motivation is a factor that encourages humans to behave, act, and do. This factor is often associated with needs and desires, which can vary among each employee or employee.

Therefore, researchers need to describe the analysis of the reward and punishment system at Alfamart. The description will provide an understanding of the implementation of the reward and punishment system at Alfamart and its impact on employee motivation and performance. Based on this description, the researcher took the title "Reward and Punishment System at Alfamart".

2. LITERATURE REVIEW

2.1 Reward System

According to [11], the Reward System is a mechanism used by companies to reward financial compensation to employees who are able to exceed predetermined conditions. The indicators that reflect the components of the Reward System involve various aspects, including:

1) Salary and Bonus: As a core element of the Reward System, salaries and bonuses recognize employee contributions that exceed established standards.
2) Welfare: Involves aspects such as health

benefits, education benefits, and other welfare benefits as a form of appreciation for employee welfare.

3) Career Development: The Reward System also includes career development opportunities, including training and courses to improve employees' skills and knowledge.

4) Psychological Rewards: In addition to the financial component, psychological rewards such as recognition and appreciation from superiors and coworkers are also an integral part of the Reward System (Mahmudi, Pranata et al., 2022).

Reward System can motivate employees to give their best performance. In this view, Alfamart's efforts to provide rewards are not only limited to financial aspects but also involve aspects of non-financial rewards, such as praise and social events, as a form of a comprehensive Reward System [12]. The PSM (Weekly Special Product) program is another initiative that is in line with the Reward System concept. This program provides tiered financial incentives to employees who achieve weekly sales targets, creating additional motivation for them [13]. The results of this analysis reflect the effectiveness of the Reward System at Alfamart in motivating and rewarding employees through a comprehensive and structured approach.

2.2 *Punishment System*

According to [14] Punishment System is a sanction system implemented by the company in response to rule violations. The Punishment System at Alfamart includes various indicators that reflect a tiered and balanced approach:

1) Tiered Warning: Alfamart applies a tiered warning approach, ranging from warnings to termination of employment if violations continue. Rehabilitation programs, such as the removal of the First Warning Letter (SP1) after a clean record for six months, are implemented as a coaching effort.

2) Use of "Time Out" and Gradual Reprimand Process: Alfamart uses the "time out" method and a gradual reprimand process as guidance steps before imposing more severe punishment. This approach is expected to provide opportunities for employees to introspect and improve their behavior before further action is taken.

3) Fair and Balanced Punishment: Alfamart ensures fairness in imposing penalties by considering the severity in line with the nature of the offense. This process ensures the proportionality of the punishment in accordance with the offense committed.

4) Rehabilitation: programs or additional training are provided to employees who experience punishment as an effort to provide opportunities for behavioral improvement. This approach reflects Alfamart's commitment to maintaining a balance between giving punishment and creating a positive work environment for all its personnel. The results of this analysis show that the Punishment System at Alfamart is implemented by considering the coaching and learning approach. In this context, the Punishment System is expected to have a deterrent effect and encourage positive behavioral changes among employees.

2.3 *The Impact of Reward and Punishment Systems*

1) The implementation of the Reward and Punishment System has a significant impact on employee behavior and motivation at Alfamart. This impact is in accordance with the principles taught by [15].

2) Increased Productivity: The Reward System at Alfamart, through the provision of financial incentives and promotions, has been proven to increase employee productivity. Employees who feel valued and

appropriately rewarded tend to be more motivated to make maximum contributions in their work. [16]

3) Employee Satisfaction: A diverse Reward System, including social events, bonuses, and other recognition programs, has a positive impact on employee satisfaction. Praise and recognition for their achievements provide a feeling of being valued, creating a positive and supportive work environment.

4) Adherence to Company Rules: A fair and tiered punishment system helps improve compliance with company rules. Employees tend to understand the consequences of rule violations and choose to comply with the prevailing norms.

5) Additional Motivation: The impact of the Reward System, such as reward programs and financial compensation, provides additional motivation for employees to achieve targets and demonstrate their best performance.

6) Behavior Improvement: The Punishment System at Alfamart, with its rehabilitation approach and additional training, provides an opportunity for employees to improve their behavior after being sanctioned. This creates an avenue

for positive change and learning from mistakes.

Through regular monitoring and sales competitions, Alfamart measures the effectiveness of their Reward System and Punishment System programs. Increased productivity, high employee retention rates, and increased customer satisfaction are indicators of the success of this system implementation [12]. In this context, the impact of the Reward and Punishment System at Alfamart reflects a balance between providing positive incentives and fair consequences, creating a dynamic and motivating work environment [17].

3. METHODS

This research was conducted at an Alfamart located on Jl. Jenderal Sudirman, Sahid City Complex, Karet Tengsin, Tanah Abang, Central Jakarta, DKI Jakarta 10250. This research was conducted on January 2, 2024. In this study, researchers will use qualitative research methods with descriptive research types. This research was conducted by describing an event or certain activities in detail. The data analysis technique in this study uses several steps: a) data condensation (data condentation), b) presenting data (data display), c) conclusion drawing and verification. What will be described in this research is the Reward and Punishment System at Alfamart. In this study, researchers chose HRD from one of the Alfamart in Jakarta as a respondent in this study. Data collection is carried out through observation and interview activities, where the supporting instruments used are interview guidelines and cellphones. The interview guideline is in the form of a number of written questions to obtain data from HRD at Alfamart Said Sudirman branch, while the use of a cellphone to document the implementation of observations and interviews, with the research subject.

4. RESULTS AND DISCUSSION

The Reward System at Alfamart creates a positive work environment by paying attention to various aspects, ranging from financial aspects to psychological rewards. By providing additional appreciation and motivation, Alfamart demonstrates a commitment to recognize and support the superior contribution of each employee. The Indicators of Reward System at Alfamart:

4.1 Salary and Bonus

Salary and Bonus: A core element of the Reward System that reflects recognition of employee contributions that exceed company standards. Practice example at Alfamart: Employees can earn cash rewards when achieving sales targets or selling weekly specials, showing that salaries and bonuses are a form of appreciation for outstanding performance.

1) Welfare

Welfare Aspects: Involves health, education, and other welfare benefits as a form of respect for employee welfare. Example Policy at Alfamart: Employees receive overtime and cash as a welfare policy on holidays, showing the company cares about employee happiness and welfare.

2) Career Development

Career Development Opportunities: Includes training and courses to improve employee skills and knowledge as part of the Reward System. Implementation at Alfamart: Employees can achieve promotions and financial rewards as a form of appreciation for achieving targets or dedication as a potential employee.

3) Psychological Rewards

Non-financial rewards: Such as recognition and appreciation from superiors and coworkers, integral to the Reward System. Example at Alfamart: Praise and invitations to central areas as a dedication to employee potential, often accompanied by cash awards as additional rewards.

The Punishment System at Alfamart is designed with a tiered and learning

approach, ensuring that every disciplinary action is carried out fairly and proportionally [18]. With a rehabilitation program and a gradual reprimand process, Alfamart is committed to creating a work environment that supports behavior improvement and maintains a balance between punishment and learning. The Indicators of the Punishment System at Alfamart:

1) Tiered Warning

Level of Warning: Ranging from reprimand to termination of employment as a tiered disciplinary action. Example of Implementation at Alfamart: The first reprimand is given by the store head, followed by a reprimand from the area coordinator (AC), and if it is still repeated, the employee will be called to the center and given a First Warning Letter (SP1), and so on until termination.

2) Rehabilitation Program

Removal of SP1 after 6 months: A rehabilitation program that provides an opportunity for employees to improve their behavior. Example Policy at Alfamart: If the employee no longer commits the offense within 6 months after receiving the SP1, the record of the offense will be deleted.

3) Fair and Proportional Punishment

Fairness in Punishment: Ensuring that the punishment given is appropriate to the severity of the offense. Implementation at Alfamart: Carefully considered tiered punishments, ranging from reprimands to termination, emphasize proportionality and fairness.

4) Phased Reprimand Process

Guidance Methods Before Severe Punishment: The use of "time out" and a gradual reprimand process as a mentoring step before imposing harsher punishments. Example of Approach at Alfamart: Providing opportunities for employees to introspect and improve their behavior before further action is taken.

The impact of Reward and Punishment System Implementation at Alfamart has a significant positive impact on employee behavior and motivation. This system not only increases productivity and obedience, but also creates a work environment that motivates, provides satisfaction, and shapes positive behavior throughout the organization, such as:

a) Improved Employee Productivity

Reward System Implementation: By providing financial incentives and promotions as a form of reward, Alfamart has succeeded in increasing employee productivity. Additional motivation from rewards that match high performance achievements encourages employees to make maximum contributions.

b) Employee Satisfaction and Positive Work Environment

Diverse Reward System: Reward systems that include social events, bonuses, and other recognition programs create employee satisfaction. Praise and recognition for their achievements builds a positive and supportive work environment, creating a feeling of being valued.

c) Adherence to Company Rules

Fair Punishment System: A fair and tiered punishment system helps improve adherence to company rules. Employees understand the consequences of rule violations, creating a culture of compliance throughout the organization.

d) Additional Motivation and Target Achievement

Impact of Reward System: Reward programs and financial compensation provide additional motivation for employees to achieve targets and demonstrate their best performance. This is in line with the concept of intrinsic motivation which creates an internal drive to succeed.

e) Behavior Improvement and Learning from Mistakes

Punishment System with Rehabilitation Approach: The rehabilitation approach and additional training in the Punishment System creates opportunities for employees to improve their behavior after being sanctioned. This encourages positive change and learning from mistakes.

5. CONCLUSION

The Reward and Punishment System implemented by Alfamart has a positive impact on employee behavior and motivation. The Reward System provides recognition and incentives that can increase employee motivation to work better, while the Punishment System serves as a reminder of the rules and norms that must be followed. Alfamart's Reward System includes various indicators, such as praise and social events, PSM programs, promotions and monetary bonuses, sales competitions, and additional bonuses and incentives at special moments. This structured and consistent awarding can motivate employees to excel and provide their best performance.

Alfamart's Punishment System applies a tiered warning approach, the use of "time out" and a gradual reprimand process, as well as fair and balanced punishment. Providing punishment that is proportional and in accordance with the severity of the offense can make employees more compliant with company rules. Based on the impact that has been achieved, Alfamart's Reward and Punishment System can be said to be one of the factors that contribute to the success of the company. This system has helped increase productivity, employee satisfaction, and compliance with company rules.

SUGGESTION

The research that has been done uses qualitative methods, so the results of the research are descriptive. To get more comprehensive results, further research can use quantitative methods, such as surveys or experiments. Quantitative methods can be used to quantitatively measure the impact of the Reward and Punishment System on employee behavior and motivation.

The research that has been conducted only focuses on the Reward and Punishment System. To get a more complete picture, further research can consider other factors that can affect employee behavior and motivation, such as organizational culture, leadership style, and work climate

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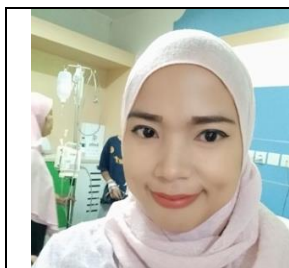
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