

UNDERGRADUATE THESIS

**THE EFFECT OF REWARD AND PUNISHMENT ON EMPLOYEE
PERFORMANCE THROUGH JOB SATISFACTION AS A MEDIATING
VARIABLE AT PT AIR MINUM BANDARMASIH (PERSERODA)**



Submitted in Partial Fulfillment of the Requirements for the Degree of Bachelor of
Management

By:

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**STUDY PROGRAM OF MANAGEMENT
FACULTY OF ECONOMICS AND BUSINESS
LAMBUNG MANGKURAT UNIVERSITY
BANJARMASIN**

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LEGALIZATION SHEET

**THE EFFECT OF REWARDS AND PUNISHMENT ON EMPLOYEE
PERFORMANCE THROUGH JOB SATISFACTION AS AN MEDIATION
VARIABLE AT PT AIR MINUM BANDARMASIH (PERSERODA)**

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STATEMENT OF ORIGINALITY

With full sincerity, I, the undersigned, hereby acknowledge that this thesis is the result of my efforts and thinking. All references and assistance I have received from various sources have been honestly and properly cited. This thesis has never been published or submitted for any other purpose to any party. If it is later proven that this statement is untrue, I am fully prepared to accept any legal consequences resulting from the inaccuracy of this declaration.

Banjarmasin, October 2nd 2025

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PREFACE

Bismillahirrahmanirrahim,

With profound gratitude, the author extends thanks to Allah SWT for His mercy and blessings, which have enabled the completion of this undergraduate thesis entitled “*The Influence of Reward and Punishment on Employee Performance through Job Satisfaction as a Mediating Variable at PT Air Minum Bandarmasih (Perseroda).*” The preparation of this thesis constitutes one of the academic requirements for the author to fulfill the Bachelor’s degree in the Faculty of Economics and Business, Lambung Mangkurat University, Management Study Program.

The journey of composing this thesis has not merely been an academic obligation, but rather a long process of intellectual and personal growth that has significantly enriched the author’s comprehension of the dynamics of human resource management, work life, work engagement, work motivation, performance, and interpersonal relations within the professional sphere.

This thesis emerges as the outcome of extensive reflection, profound observation, and collaborative efforts involving various individuals who have sincerely offered invaluable contributions. The author is fully aware that behind every idea and argument lies the unseen support of those who, either directly or indirectly, have shaped the course of this intellectual journey.

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15. And last but not least, to myself, M. Arya Rezki. Thank you for persevering this far. Thank you for continuing to strive, for choosing to be present for yourself, and for reaching this point despite moments of doubt. You have given your best and will continue to do so. This is a significant milestone worthy of pride. Wherever life may lead, may you always remember to treat yourself with kindness. Embrace your strengths and shortcomings alike, for you deserve to be celebrated just as you are.

Abstract

M. Arya Rezki (2025). The Effect of Reward and Punishment on Employee Performance through Job Satisfaction as a Mediating Variable at PT Air Minum Bandarmasih (Perseroda). Supervisor: Rini Rahmawati.

This study aims to examine and analyze: (1) the influence of reward on job satisfaction at PT Air Minum Bandarmasih (Perseroda), (2) the influence of punishment on job satisfaction at PT Air Minum Bandarmasih (Perseroda), (3) the influence of reward on employee performance at PT Air Minum Bandarmasih (Perseroda), (4) the influence of punishment on employee performance at PT Air Minum Bandarmasih (Perseroda), (5) the influence of job satisfaction on employee performance at PT Air Minum Bandarmasih (Perseroda), (6) the mediating role of job satisfaction in the relationship between reward and employee performance at PT Air Minum Bandarmasih (Perseroda), and (7) the mediating role of job satisfaction in the relationship between punishment and employee performance at PT Air Minum Bandarmasih (Perseroda).

The study employed a quantitative approach using a survey method. Data were collected through questionnaires distributed to 80 respondents. The analytical technique applied was Partial Least Squares (PLS) with the assistance of the SmartPLS software.

The findings of the research demonstrate that: (1) reward has a positive and significant effect on job satisfaction, (2) punishment has a positive and significant effect on job satisfaction, (3) reward has a positive and significant effect on employee performance, (4) punishment has a positive and significant effect on employee performance, (5) job satisfaction has a positive and significant effect on employee performance, (6) job satisfaction mediates the effect of reward on employee performance, and (7) job satisfaction also mediates the effect of punishment on employee performance.

Keywords: Reward, Punishment, Job Satisfaction, Employee Performance.

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