

## The Impact of Rewards and Punishments on Employee Performance in the Hospital Industry

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### ARTICLE INFO

**Published Online:**  
31 August 2024

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### ABSTRACT

Currently, competition in the hospital industry is increasingly sharp. The existence of private hospitals has increased significantly in line with the health needs of the community. This research aims to determine and analyze the influence of rewards and punishment on employee performance of employees at RSD dr. Soebandi Jember. The population in this study was administrative staff at RSD dr. Soebandi as many as 123 people. The sampling technique was carried out using saturated samples (census). Analysis to find out the ins and outs of respondents uses descriptive analysis. Tests for measuring instruments are validity tests and reliability tests. Hypothesis testing is used to determine the impact of exogenous variables on endogenous variables in this research. The research results prove that rewards have a positive but not significant effect on employee performance at RSD Dr Soebandi. Punishment has a positive and significant effect on employee performance at Dr Soebandi Hospital.

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**KEYWORDS:** reward; punishment; employee performance; hospital industry.

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### INTRODUCTION

Competition in every line of business is currently experiencing a significant increase in line with society's need for health which is also increasing. The hospital industry is a service industry whose existence currently determines the health of the community. Hospital management is currently the responsibility of the government and the private sector. Therefore, every industry operating in the service sector must continue to improve performance, both individual employee performance and group or organizational performance (Qomariah, 2020). Improving performance is absolutely mandatory in order to win competition in any sector. According to (Mangkunegara, 2017), the definition of performance is the amount of employees providing services to the company at a certain time in a period. Employees in an organization must continue to improve their performance so that organizational performance is also good (Azhad et al., 2015). According to (Sedarmayanti, 2017), the meaning of performance can be seen from the efforts of employees to complete their tasks, the skills they have to complete their work in an organization. According to (Wibowo, 2016), the definition of performance is something that can be measured through certain measurements (standards), quality is related to the quality of work produced, while quantity is the amount of work produced within a certain period of time, and

timeliness. If employee performance is good, the company will also get very large dividends. There are various criteria used in measuring employee performance. Performance can increase, influenced by several factors, including rewards given by the organization because of the achievements obtained by employees. Apart from that, there is also punishment which can increase performance.

The first factor that can increase performance is giving rewards. The word reward comes from English which means gift. Meanwhile, a reward is something we give someone because they do something. Awards are given by someone to recognize individual or group achievements in an activity (Sari et al., 2021). The application of rewards is in full focus in the industry in order to realize effective work results so that someone becomes more active in trying to improve or increase the achievements they have achieved (Alimawi & Laili Muda, 2022). Expectations for good professionalism from an employee cannot be separated from how a company is able to manage and provide rewards for employee performance (Ibrar & Khan, 2015). The more often good actions receive rewards, the less likely they are to repeat those actions, so that the success obtained by the employee produces satisfactory results (Frimayasa et al., 2023). Therefore, providing employee benefits as a form of appreciation for employee performance needs to be fulfilled properly and in accordance with each employee's

performance. Previous research results show that rewards have a significant positive influence on employee performance (Abasili et al., 2017; Frimayasa et al., 2023; Ibrar & Khan, 2015; KImutai & Sakataka, 2019; Ngwa et al., 2019; Niguse & Getachew, 2019; Sajuyigbe et al., 2013; Meanwhile, research conducted by (Gunawan et al., 2023) states that rewards have a positive effect, but not all of them are significant on employee performance. Research by (Ikhsan, 2022) states that rewards have a significant negative effect on employee performance. Research by (Suak et al., 2017) states that reward and punishment do not have a significant influence on employee performance.

The second factor that influences performance is punishment. Punishment is an action of reprimand for a violation committed in order to improve and maintain applicable regulations (Sari et al., 2021). Punishment is a sanction given by the company to employees who are unable to carry out their duties properly (Fahmi, 2012). By implementing a punishment system, it is hoped that employees will not dare to violate regulations or make mistakes in carrying out their respective duties. For employees who receive punishment, this will be a lesson so they don't repeat the same mistakes. Previous research states that giving punishment must be logical in accordance with the consequences of violations committed by a person or employee, because this can have an impact on a person's psychology if the application of this punishment is not appropriate, it will actually have a negative impact on the end result (Suak et al., 2017), (Nainggolan et al., 2024), (Nainggolan et al., 2024). Punishment has a significant

positive influence on employee performance (Sari et al., 2021), (Frimayasa et al., 2023), (Wahyono et al., 2018), (Gunawan et al., 2023), (Ikhsan, 2022) .

Based on data that has been obtained at RSD dr. Soebandi showed that the performance of administrative staff in 2020 was mostly in the good category. In the following year, the performance assessment of administrative staff decreased slightly. Performance results of Administrative staff at RSD dr. Soebandi is presented in Table 1.

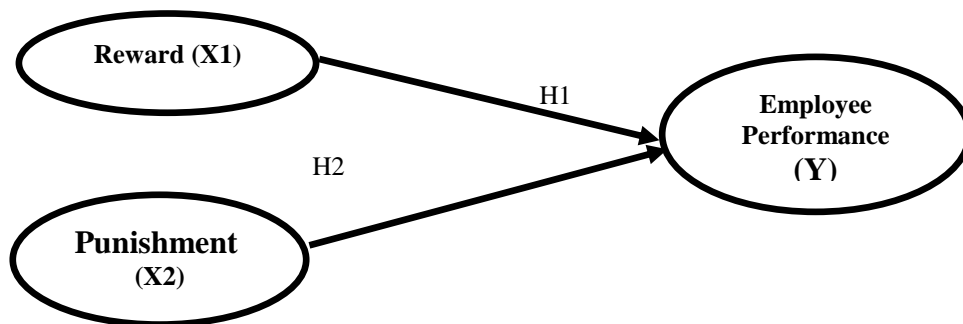
**Table 1. Data on Administrative Staff Performance Achievements**

No	Year	Performance achievements	Category
1.	2020	100%	Good
2.	2021	96%	Good
3.	2022	94%	Good

Source: RSD dr. Soebandi, 2024.

Based on the explanation in Table 1, it shows that the performance achievements of administrative staff at RSD dr. Soebandi is not stable every year. In relation to previous research linking reward and punishment with performance, there are still inconsistent results, so this research must be carried out with the title "Analysis of the Effect of Reward and Punishment on Employee Performance at RSD dr . Soebandi. This research is intended to examine the effect of reward and punishment on employee performance at RSD dr. Soebandi.

**CONCEPTUAL FRAMEWORK**



**Research Hypothesis**

1. Rewards have a positive effect on the performance of hospital employees.
2. Punishment has a positive impact on the performance of hospital employees.

**RESEARCH METHODS**

This research can be categorized as research that aims to determine the impact of exogenous variables (reward and punishment) on endogenous variables

(employee performance). A quantitative approach was used in this research. All administrative staff at RSD dr. Soebandi as many as 123 people were used in this research using a saturated sampling technique. Descriptive analysis was used to find out the description of the respondents in this study. Meanwhile, the measuring instrument is tested using validity and reliability tests. To test the hypothesis developed, a direct effect test is provided. In Table 2, the indicator variables in this research are presented.

**Table 2. Identification of Research Variable Measurements**

Variable	Indicator
Reward (X1)	a. Allowance b. Bonuses/incentives c. Personal appreciation
Punishment (X2)	a. Code of Conduct b. Recommendations and orders c. Reprimand d. Termination of benefits e. Bonus stop f. Work termination
Employee Performance (Y)	a. Skills b. Ability c. Achieve the target d. On time e. Work commitment f. Responsibility

**RESULTS**

**Descriptive Analysis Results**

Below is a detailed description of the characteristics of the respondents. The characteristics of the respondents in

question include gender, age and most recent education. The results of the descriptive analysis are presented in Table 3, below.

**Table 3. Descriptive Statistics**

No	Criteria	Number of people	Percentage (%)	
1.	Gender	Man	60	48,5
		Woman	63	51,5
		Total	123	100,0
2.	Age of respondent	20 to 30 years	18	14,6
		31 to 40 years	52	42,3
		41 to 50 years	42	34,2
		More than 50 years	11	8,9
		Total	123	100,0
3.	Education Final	SMA/SMK	45	36,6
		Diploma III (D3)	41	33,7
		Bachelor degree	37	29,7
		Total	123	100,0

Referring to this description, it can be stated that most of the administrative staff at RSD dr. Soebandi is female (51.5%). In terms of age, most of the administrative staff at RSD dr. Soebandi is aged between 31 and 40 years (42.3%). RSD administrative staff, Dr. Soebandi is generally in the productive age group. Referring to the descriptive results of the education sector, the administrative staff at RSD dr. Soebandi has an educational background that is considered quite high, namely SMA/SMK and D3.

**Validity Test Results**

The results of the validity test can be measured by looking at the loading factor value. The loading factor value that meets the criteria must be above 0.7. Table 4 below presents the loading factor values for testing the validity of this research. The validity test results presented in Table 4 show that all indicators of this research variable have values above 0.7. In this way, all indicators meet the requirements for construct validity.

**Table 4. Recapitulation of Validity Test Results**

Variable	Indicator	Loading Factor	Results
Reward (X1)	X1.1	0,905	Meet Validity
	X1.2	0,913	Meet Validity
	X1.3	0,907	Meet Validity

	X1.4	0,927	Meet Validity
	X1.5	0,925	Meet Validity
Punishment (X2)	X2.1	0,906	Meet Validity
	X2.2	0,909	Meet Validity
	X2.3	0,906	Meet Validity
	X2.4	0,931	Meet Validity
	X2.5	0,874	Meet Validity
	Employee Performance (Y)	Y1	0,901
Y2		0,889	Meet Validity
Y3		0,904	Meet Validity
Y4		0,879	Meet Validity
Y5		0,913	Meet Validity
Y6		0,878	Meet Validity
Y7		0,880	Meet Validity
Y8		0,907	Meet Validity
Y9		0,073	Meet Validity

**Reliability Test Results**

In this case, the measurement or assessment of the outer model that represents the reliability aspect is composite reliability (Ghozali, 2014). The results of reliability testing can be seen in Table 5 below. Based on the results presented in Table 5, it can be seen that the reliability values of all variables are seen from their composite reliability values, namely all above 0.6.

**Table 5. Reliability Test Results**

No	Variable of This Research	Reliability Value	Information
1	Reward	0,963	Meet
2	Punishment	0,958	Meet
3	Employee Performance	0,972	Meet

**Direct Effect Testing**

Detailed path coefficient testing is presented in Table 6 below.

**Table 6. Effect Test Results**

Hypothesis	Path Coefficient	P Value	Results
Reward (X1) → Employee Performance (Y)	0,065	0,234	H1 Rejected
Punishment (X2) → Employee Performance (Y)	0,510	<0,001	H2 Accepted

**DISCUSSION**

**The Effect of Rewards on Employee Performance**

The research results show that rewards do not have a significant influence on employee performance. So the hypothesis which states that rewards have a positive and

significant effect on employee performance is not proven true or H1 is rejected. This aspect of the rewards at RSD Dr Seobandi is considered not to be a factor that determines employee performance, especially administrative staff. The insignificant influence of rewards could be due to employee dissatisfaction or incompatibility with the rewards given by the management of RSD Dr Soebandi, both quantitatively and qualitatively.

According to (Sutrisno, 2015), rewards or also called intrinsic rewards are rewards that are part of the work itself, these rewards include a sense of completion, achievement means the ability to start or complete a job that is important for a number of individuals. In management, employee utilization, maintaining and improving the quality of a company, and the importance of the quality of human resources play a very important role in encouraging employee enthusiasm. Companies must fulfill several appropriate human resource criteria, one of which is through rewards or awards (Mulyati, 2024). Rewards or appreciation play an important role in increasing motivation to improve employee performance (Sari et al., 2021) because through appreciation workers will become individuals who prioritize quality and responsibility for the tasks given (Alimawi & Laili Muda, 2022). Awards can improve the quality of employee performance. The application of rewards is much more emphasized by many companies, this has a very good impact on employee performance in completing their work (Abasili et al., 2017; Frimayasa et al., 2023; Ibrar & Khan, 2015; KImutai & Sakataka, 2019; Ngwa et al., 2019; Niguse & Getachew, 2019;

**The Effect of Punishment on Employee Performance**

Based on the results of this research, so the hypothesis which states that punishment has a positive and significant effect on employee performance is proven to be true or H2 is accepted. This means that the better the punishment that exists and is applied by the management of

RSD Dr Seobandi, the better the performance of the administrative staff at RSD Dr Seobandi. Policies and implementation of punishment aspects are carried out fairly and managed well and this makes employees feel comfortable and satisfied, the impact of which can be seen in improving employee performance. Punishment is a way to direct behavior to conform to generally accepted behavior (Sutrisno, 2015). Punishment is an unpleasant or undesirable consequence given by a superior for certain behavior that has been carried out. Punishment, if used effectively, can suppress behavior in the organization, in other words, punishment should be given after careful and objective consideration of all aspects relevant to the situation that occurs (Mulyati, 2024). In this case, punishment will be given when an unexpected behavior is displayed by the person concerned or the person concerned does not respond or does not display the expected behavior (Frimayasa et al., 2023).

### CONCLUSIONS, SUGGESTIONS AND IMPLICATIONS

The conclusion from the results of this research is that firstly, rewards have a positive but not significant effect on employee performance at RSD Dr Soebandi. The second conclusion is that punishment has a positive and significant effect on employee performance at Dr Soebandi Hospital.

The advice that needs to be conveyed to the hospital is that rewards are still needed to improve employee performance, apart from that, punishment is also very important to implement so that there is no envy between employees because there is no application of punishment in the workplace.

The findings of this research provide practical implications, namely RSD dr. Soebandi always pays attention to things, especially those related to always paying attention to things, especially those related to rewards and punishment. These two aspects will become important capital for institutions to encourage employee performance. As for the theoretical implications, this research opens up opportunities for a future research agenda to develop existing concepts related to employee performance.

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