



The Effect of Incentives Provision on Work Commitment of Employees at Bethesda General Hospital of Tomohon City

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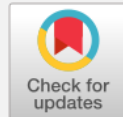
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ABSTRACT

The provision of incentives is one stimulus to encourage someone's loyalty, and better work performance as the incentives are paid based on one's work commitment. This research was conducted at Bethesda General Hospital, Tomohon City, and aims to determine the effect of incentives on its employee work commitment. The results of the correlation coefficient analysis of $r = 0.84$ indicated that there is a close and positive relationship between incentives and employee work commitment. The correlation analysis also produced the coefficient of determination $r^2 = 0.71$ or 71%, implying that the provision of incentives influences 71% of employee work commitment, and other factors beyond this research influence the remaining 29%. In addition, the t-test analysis shows that t count = 8.23 is greater than t table = 1.70 indicating a highly significant relationship between the provision of incentives and employee work commitment.

Keywords: Correlation Analysis; Employee Work Commitment; Incentives; Loyalty; Work Motivation

1. Introduction

Along with the development of the global world, the Indonesian government is currently racing to implement quality development in various sectors of human life. One of them is development in the health sector or sector. Development in this sector is very important because health is a basic human need in carrying out life activities. Developed countries are people who are physically and mentally healthy and have an adequate level of welfare. An unhealthy state cannot carry out development to its full potential.

Public demand for health services increases, encouraging the government and the private sector to improve and grow health services. It is undeniable that the involvement of the private sector in efforts to improve the health sector in the community is very high. As milestones in health services, private hospitals have a main function in healing and recovery in health, which are expected to compete globally in providing services effectively and efficiently.

Hospitals are organizations that work in the health industry. The healthcare industry is one of the largest, most expensive, and fastest-growing businesses globally because it is a large part of the country's economy.

The accuracy and speed in handling, which are significantly coupled with the most cost-effective and modern medical devices, have become valuable assets today. Therefore, currently, hospitals face challenges that are not much different from non-medical organizations, where it is known that health is important. This is a challenge that has to be faced by hospital administrators in Indonesia, which is increasingly complex (Novitasari et al., 2020).

Work commitment is a serious problem for Bethesda General Hospital, Tomohon City. Employee work commitment is a variable that can benefit the company in achieving its goals if implemented properly (Luthans, 2006). However, in direct observation, it was found that many employees have not shown their high work commitment to the company. The indications are that many employees are late arriving, skipping work hours, lack service to patients, and have low employee responsibility. This is closely related to many factors such as negligence in work, company leadership, human relations, job satisfaction, salary or wages, incentives, and others. From the sources of observations made and the data obtained, it is noted that around 10-15% of employees are often late during working hours, and around 10% of employees often skip work during working hours.

The low level of employee commitment in carrying out their duties is caused by the hospital's lack of attention to employee welfare. The incentives received by employees have not met the minimum salary standards for employees compared to the incentives received by employees who work in government-owned hospitals. The incentives received by employees are Rp500,000/month for class II and Rp750,000/month for class III per month, adjusted for work actions, job risks, and income from the hospital. Meanwhile, nurses who are civil servants or who work in government hospitals are adjusted to the nurse class, where group II receives an incentive of Rp1,000,000/month, and group III gets an incentive of Rp1,450,000/month.

Employee work commitment will not be born just like that without being preceded by a driving factor. Employee work commitment arises from satisfaction in terms of welfare. The provision of appropriate or fulfilled incentives will positively impact company goals. Still, if they are not appropriate and not fulfilled, it will affect the continuity of business and patient services. Therefore, commitment is the loyalty of hospital leaders and members to their organization. Commitment is nothing but a continuous process in which each member of the organization makes a positive contribution to the organization's progress (Robbins, 2002). In a hospital organization, commitment plays an important role as the glue of the system. The

growth of a hospital depends on the services provided by employees to the community and their commitment level to customers and the company. To retain skilled employees, one of the strategies that can be done is to make employees loyal and highly committed to the organization.

2. Literature Review

In essence, incentives are given to encourage employees to work more optimally, whereas work elements are utilized more optimally, with their enthusiasm being encouraged to get bigger and better incentives. For this reason, companies must recognize the needs of each of their employees.

Nawawi (2005, p. 99) defines incentives as rewards or rewards that the company gives to trigger employee productivity, which is intermittent and not permanent. Incentives can positively influence the company, especially to increase employee loyalty and dedication.

Hasibuan (2005) revealed that incentives are given in addition to remuneration for certain employees who excel above standard performance. This indicates that incentives are one of the tools to support the principle of fairness in the provision of compensation. Sirait (2006) states that incentives encourage or stimulate employee productivity. Employees whose work performance is higher, the higher the incentives they will receive. Hasibuan (2005) underlined that incentives could motivate employees, reduce turnover rates, and increase employee commitment or loyalty to the company.

Incentives can also be interpreted as rewards given by the organization as an award for individual or group work performance, so organizational incentives are one form of work product or the gains they get (Danim, 2004). Incentives are direct rewards given by the company to employees for achievements that are above predetermined standards. Assuming money can motivate employees to work harder, productive employees will be happier if the salary is given based on the work result (Panggabean, 2004). Incentives are stimuli that companies offer their employees to do their jobs according to or exceeding predetermined standards (Handoko, 2002).

It can be concluded that incentives encourage employees to work hard and show better performance. Incentives can trigger morale and motivate an employee.

Employee commitment is important to provide the best results for the company. Employee commitment to the organization is where a person is very interested in and attaches to the organization's values, goals, and objectives (Meyer & Allen, 1997). According to Steers (1983), commitment includes an attitude that pleases the organization and a willingness to strive for the organization's interests so that organizational goals are more easily achieved. High commitment to the organization demands more than formal membership.

Commitment is a person's sense of close and strong attachment to the values and goals of the organization related to their contribution to all efforts to achieve these goals and values (Zurnali, 2010). There is a strong relationship between motivation and job satisfaction, increasing commitment to the organization. Schultz & Ellen (1994) consider an individual commitment to an organization an equally important part of the individual's process. Greenberg & Baron (1993) state that employee commitment to the organization is a behavior that shows the level of involvement in an organization without the desire to leave the organization.

Employee work commitment shows how the employee knows, finds, and favors an organization and his desire to stay and actively participate in achieving organizational goals (Dessler, 2007).

The description above underlines that the company gives incentives as a form of remuneration to encourage or stimulate employee work enthusiasm which is given in the form of goods or money directly or indirectly to employees. The provision of incentives by the company is an effort made to improve employee performance and productivity and is designed to maintain employee loyalty (Siagian, 2003).

The low commitment illustrates the low responsibility in carrying out tasks (Kuntjoro, 2009). For this reason, the Bethesda General Hospital of Tomohon City needs to reduce absenteeism and labor turnover rates and improve employee performance to encourage employees to work with better performance, be enthusiastic, and be full of responsibility for the tasks entrusted to them. Efforts in providing incentives can provide a sense of satisfaction so that employees show a high work commitment to the company according to the company's plans and goals that have been set. Employees with high commitment will show totality in work, give attention, thought, energy and time, and do whatever is assigned by the company.

From the framework above, the research hypothesis can be formulated: "The provision of incentives has a positive effect on the work commitment of Bethesda General Hospital employees of Tomohon City".

3. Research Methodology

This research uses a correlational research method. This method is used to see the extent of the influence of one or more variations on other factors based on the correlation coefficient between variable X and variable Y.

This research focuses only on the effect of providing incentives on the work commitment of Bethesda General Hospital employees, Tomohon City, with the independent variable being Incentive Giving (X) and the dependent variable being Employee Work Commitment (Y).

The provision of incentives includes remuneration received by an employee with certain criteria for his achievements that exceed standard achievements. The variable indicators are Money, Bonus, and Facilities. Commitment refers to the employee's relationship with the organization, which can be seen from the willingness to maintain organizational membership, accept the organization's goals and values, and be willing to fight for the achievement of organizational goals and continuity. The indicators of this variable are Affective Commitment, Continuance Commitment, and Normative Commitment.

The population involved in this research was all Bethesda General Hospital employees of Tomohon City, and as many as 300 people. A population is several objects studied to understand the criteria indicated by the researcher (Mardalis, 2004, p. 46).

This research takes several employees who will be used as samples. The sample is part of the population or research object. According to Arikunto (2005), if the number of subjects is less than 100, then all subjects are better taken so that the research belongs to the category of population research. If the number of subjects is large, 10-15% or 20-25% can be taken. Due to time and energy limitations, this research involved 30 permanent employees, namely 10% of the 300 employees at the Bethesda General Hospital of Tomohon City.

This research used observational techniques to collect data, namely collecting data accompanied by a careful and systematic recording. In addition, a questionnaire technique was also carried out, in which data were collected by giving respondents questions to fill out. The

last is a literature study that collects data from articles, books, archives, journals, the internet, and other written data.

3.1. Data Analysis Technique

This research uses a quantitative analysis approach to determine how far the relationship between the provision of incentives and employee work commitment is. This method uses a systematic calculation through regression and correlation analysis.

The formulation for the regression equation is $Y = a + bx$, where the value of a and b is calculated using the formula:

$$a = \frac{(\sum Y)(\sum X^2) - (\sum X)(\sum Y)}{n \cdot \sum X^2 - (\sum X)^2}$$
$$b = \frac{n \cdot \sum XY - (\sum X)(\sum Y)}{n \cdot \sum X^2 - (\sum X)^2}$$

where,

X = Incentives Provisions (Independent Variable)

Y = Employee Work Commitment (Dependent Variable)

a = Constant

b = Regression Coefficient

Meanwhile, to see how strong the relationship between the Incentive Provisions variable and Employee Work Commitment is, the correlation analysis is used as follows:

$$r = \frac{n \sum XY - (\sum X)(\sum Y)}{\sqrt{\{n \sum X^2 - (\sum X)^2\} \{n \sum Y^2 - (\sum Y)^2\}}}$$

where,

r = Correlation Coefficient

n = Number of Respondents

X = Total Score Variable X

Y = Total Score Variable Y

X^2 = Sum of X squared

Y^2 = Sum of Y squared

XY = The Number of Products Between Variables X and Y

The t-test was used with a significance level (confidence) of 0.95 or 95% to measure the level of significance of the correlation.

$$t = \frac{r \sqrt{n-2}}{\sqrt{1-r^2}}$$

4. Results and Discussion

Calculations in the tabulation of data obtain:

$$\begin{aligned}n &= 30 \\ \sum X &= 1098 \\ \sum Y &= 994 \\ \sum X^2 &= 40456 \\ \sum Y^2 &= 33102 \\ \sum XY &= 36559\end{aligned}$$

Then

$$\begin{aligned}a &= \frac{(994)(40456) - (1098)(36559)}{30(40456) - (1098)^2} \\ &= \frac{40213264 - 40141782}{12123680 - 1205604} \\ &= 71482 \\ &= 8076 \\ &= 8.851163943 \\ &= 8.85\end{aligned}$$

$$\begin{aligned}b &= \frac{30(36559) - (1098)(994)}{30(40456) - (1098)^2} \\ &= \frac{1096770 - 1091412}{1213680 - 1205604} \\ &= \frac{5358}{8076} \\ &= 0.6634472511 \\ &= 0.66\end{aligned}$$

$$\text{So } \hat{Y} = 8,85 + 0,66x$$

The above calculation results show that every time there is an addition of one in the X variable (Incentives Provisions), there will be an increase in the Y variable (Work Commitment).

Then to determine the close relationship between the X variable and Y variable, correlation analysis is used as follows:

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{\{n\sum X^2 - (\sum X)^2\}\{n\sum Y^2 - (\sum Y)^2\}}} \quad (\text{Sugiyono, 2008})$$

Then,

$$\begin{aligned} r &= \frac{30(36559) - (1098)(994)}{\sqrt{\{30(40456) - (1098)^2\}\{30(33102) - (994)^2\}}} \\ &= \frac{1096770 - 1091412}{\sqrt{\{(1213680) - (1205604)\}\{(993060) - (988036)\}}} \\ &= \frac{5358}{\sqrt{(8076)(5024)}} \\ &= \frac{5358}{\sqrt{40573824}} \\ &= \frac{5358}{369.758551} \\ &= 0.841162181 \\ r &= 0.84 \\ r^2 &= 0.71 = 71\% \end{aligned}$$

A t-test with a significance level (confidence) of 0.95 or 95% was used to test the significant correlation level.

$$\begin{aligned} r &= 0.84 \\ r^2 &= 0.71 \\ n &= 30 \end{aligned}$$

$$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

$$\begin{aligned}t &= \frac{0.84 \sqrt{30 - 2}}{\sqrt{0.29}} \\&= \frac{0.84 \cdot 5.29}{\sqrt{0.29}} \\&= \frac{4.4436}{0.54} \\&= 8.23 \quad t_{count} = 8.23 > t_{table} = 1.70\end{aligned}$$

To achieve the goal of scientific work about its truth, it is necessary to use scientific methods consisting of rational methods and empirical methods. The rational method that states the truth already exists a priori in everyone's mind, which is obtained through his rational mind.

In this research, both methods were used as a scientific procedure to obtain the truth. Regression and correlation analysis and research hypotheses associated with data analysis gave birth to something related between the theoretical rationale stated as a hypothesis with the results of field research as empirical reality.

Therefore, the hypothesis that incentives affect and are related to employee work commitment is theoretically correct.

Providing appropriate and fair incentives can motivate and give satisfaction to employees, increasing their work commitment to the organization. The results of the data analysis above show that the correlation between incentives and work commitment of the Bethesda General Hospital of Tomohon City employees is quite high, namely $r = 0.84$, which indicates that there is a close and positive relationship between the provision of incentives and employee work commitment and that the variable of providing incentives cannot be ignored to increase employee work commitment. The results of this research also imply that the managers and directors of the company, especially the director of the Bethesda General Hospital of Tomohon City, must be able to organize and manage the organization/hospital so that it functions effectively and efficiently.

This correlation analysis also obtained the value of $r^2 = 0.71$ or 71%, which means that a 71% increase in employee work commitment is affected by the provision of incentives 71% and factors outside this research influence 29%.

From the results of the calculation of this hypothesis testing, the value of t-count = 8.23 is greater than the t-table = 1.70. This situation shows a significant relationship between the provision of incentives and the work commitment of the Bethesda General Hospital of Tomohon City employees.

Thus, the results of this research indicate that the provision of incentives affects the work commitment of the employees of the Bethesda General Hospital of Tomohon City.

5. Conclusion

Based on the research results above, it concluded that the variable of providing incentives has a very high contribution to the work commitment of employees in an organization. It is

undeniable that increasing work commitment requires motivation and satisfaction as absolute requirements of every individual involved. The provision of fair and appropriate incentives must be the leadership's main concern. Providing appropriate incentives will encourage someone to be more active in giving their time and energy and stay loyal to work.

This research also shows that incentives have a positive relationship with increasing work commitment of employees of the Bethesda General Hospital, Tomohon City, where the results of the correlation coefficient analysis obtain a value of $r = 0.84$. This shows a close and positive effect between the provision of incentives and work commitment. In addition, the coefficient of determination (r^2) shows that 0.71 or 71% of employees' work commitment is explained by the provision of incentives, while 29% is explained by other elements not observed in this research.

The results of hypothesis testing using the t-test formula with a confidence level of 0.95 or 95% obtained the t-count = 8.23, which is greater than the t-table value = 1.70. This concludes that the hypothesis, which states that there is a positive influence between the provision of incentives on the work commitment of the employees of the Bethesda General Hospital of Tomohon City, is accepted.

Based on all of the above, the leadership of the Bethesda General Hospital of Tomohon City should pay attention to the welfare of employees through the provision of fair and proper incentives. To obtain equal treatment in obtaining incentives from the leadership, it is recommended that the employee concerned seek to increase their work loyalty.

The provision of incentives has contributed to increasing the work commitment of the Bethesda General Hospital of Tomohon City, but the leadership needs to pay attention to the employee's work commitment openly and communicatively. The provision of incentives also needs to be increased as a means of support in increasing employee work commitment, but the leadership or hospital management needs to plan well the policies that will be taken.

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7. Declaration of Conflicting Interests

The authors have declared no potential conflicts of interest concerning this article's research, authorship, and/or publication.

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