

# EXPECTATION BASED REWARD SYSTEM FOR REDUCING EMPLOYEES' TARDINESS

Pengembangan Sistem Reward untuk Menurunkan Keterlambatan Karyawan

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#### **ABSTRACT**

**Background**: Motivating employees can improve their morale and job satisfaction. Work motivation has a positive effect on work discipline and employee's performance. Organizations provide reward to their employee to motivate improvement in performance. On the other hand, lack of motivation will result in tardiness. A monthly report of one clinic in Surabaya, for example, shows alarming level of personnel's tardiness from July to October 2014, with the mean score of 88.85 minutes compared to the standard tolerance of tardiness 15 minutes per day.

Aims: This study aims at formulating appropriate recommendations of reward system to reduce employee's tardiness at one clinic in Surabaya.

**Methods**: This is a quantitative analytical study with a cross-sectional design and observation method. The research samples are 17 employees of the clinic chosen using purposive sampling

**Results**: Results show that 82.35% of employees chose additional incentives as a reward if they do come on time. The majority of employees chose a range of Rp. 51,000 to Rp. 70,000 as the typical amount of incentive. Not all employees agreed to the implementation of punishment system. The reward system is applied when the employees have good attendance record in one month.

**Conclusions**: Extra incentive provides good motivation for employees to deliver proper healthcare in time. The application of reward system from November 2014 to January 2015 gave a positive result in terms of decreasing the number employees who come late to work. Healthcare providers should evaluate employees' performance and implement reward system to increase the quality of human resource.

Keywords: Tardiness, Punishment, Reward.

## **ABSTRAK**

**Latar Belakang**: Pemberian motivasi bagi karyawan dapat meningkatkan semangat dan kepuasan kerja. Motivasi kerja berpengaruh positif terhadap disiplin kerja dan kinerja karyawan. Sebagian besar instansi memberikan reward kepada karyawan sebagai motivasi untuk meningkatkan kinerja. Berdasarkan laporan absen bulanan di klinik X, masalah yang diteliti adalah tingginya tingkat keterlambatan karyawan periode Juli – Oktober 2014 dengan rerata 88,85 menit dibanding standar torelansi keterlambatan 15 menit per hari.

**Tujuan**: Tujuan penelitian adalah menyusun rekomendasi reward yang sesuai bagi karyawan diklinik X Surabaya agar tingkat keterlambatan karyawan menurun.

**Metode**: Penelitian ini adalah penelitian analitik kuantitatif menggunakan desain cross sectional dengan metode observasi. Sampel penelitian adalah karyawan klinik X Surabaya yang diambil dengan cara purposive sampling. Besar sampel sebanyak 17 orang.

**Hasil**: Hasil penelitian menunjukkan 82,35% karyawan memilih insentif tambahan sebagai reward jika tidak terlambat datang. Mayoritas karyawan memilih kisaran Rp. 51.000 - Rp. 70.000 sebagai jumlah insentif normal. Tidak semua pegawai setuju untuk memberlakukan sistem hukuman. Sistem reward diberikan ketika pegawai memiliki tingkat kehadiran yang bagus dalam satu bulan.

Kesimpulan: Penambahan insentif member motivasi yang baik bagi karyawan untuk memberi pelayanan kesehatan tepat pada jam buka klinik. Penerapan sistem reward pada periode November 2014 sampai dengan Januari 2015 memberikan hasil positif yaitu jumlah karyawan yang datang terlambat semakin sedikit. Penyedia pelayanan kesehatan perlu mengevaluasi kinerja pegawai dan menerapkan sistem reward untuk meningkatkan kualitas sumber daya manusia.

Kata Kunci: Hukuman, Keterlambatan, Penghargaan.

## INTRODUCTION

The quality of service greatly influences the quality of an organization that provides health services to the community. Healthcare quality can be

defined as the level of healthcare for individuals and populations that improve the outcomes of health services which are desired and consistent with current professional knowledge (Counte, 2007). Unfortunately, some health services are still



perceived as unfavorable for the community as consumers. In other words, these are not quality health services. There is a continuous demand for health service providers to improve and produce good quality health service. Two important factors that influence the quality of health services are facilities and human resources (employees) of the health organization.

Employees' performance is highly dependent on their working environment (Arifin, 2012). This working environment is a subject of the organizational climate. The better the climate, the better the working environment will be; therefore, employees' quality will also be improved, and vice versa. According to Robbins (2002), there are several factors that influence organizational atmosphere. They are individual initiative (level of responsibility and independence of each member), risk tolerance (level of risk coordination to encourage employees to be aggressive, innovative, and brave). integration (level of the work unit), management support (communication clarity, assistance and support provided by management to the work unit under it), control (rules/regulations and controls to regulate and monitor employee's behavior), identity (level of self-identification that exceeds the workgroup or the profession itself), rewards (allocation and award levels based on employee's performance), conflict tolerance (degree of tolerance to conflict and criticism of openness in an organization), and communication patterns (level of communication limitations in an organization based on the authorization of the formal hierarchy).

In addition, service quality is also determined by the level of discipline and productivity of the employees. Employees' discipline is a part of performance factor (Setiyawan and Waridin, 2006). A good employee with good discipline and responsibility is reflected in ability to complete tasks on time, reduced level of delays, displays of enthusiasm and passion for work, as well as the increase of efficiency and productivity which is shown by the low employee absence rates. Many employees feel less motivated at work, so they are less able to achieve good work productivity. A study conducted by Mangkunegara and Octorend (2015) shows that work discipline, motivation and job satisfaction of employees at PT. Dada Indonesia can be considered from the employee presence and salaries

According to Bass and Riggio (2006), in order to motivate employees, leaders should engage the following three ways. First, they need to encourage employees to be more aware of the importance of business goal. Second, they encourage employees to prioritize group interests. Third, they need to improve higher employee's needs such as self-esteem and self-actualization. Luthans (2006) states that motivation is an impulse shown to fulfill specific goals. Employees who have high motivation both from within themselves and from the work environment will also have a higher level of satisfaction so that they are more motivated by the fervor of their performance (Arifin, 2012).

Self-performance is the work quality and quantity achieved by employees in carrying out their duties under given responsibilities (Mangkunegara, 2000). According to Setiyawan and Waridin (2006),

employees' performance is the work performance of employees in terms of quality and quantity of work standard determined by the organization. Performance assessment is done by defining specific actions that are expected to be carried out by an employee. Performance assessment is also carried out to ensure that a person performs what is expected by controlling information of the organization (e.g., with monthly reports from managers). Good performance must be based on a strong commitment to the organization.

Mathis and Jackson (2006) state that organizational commitment is the degree to which employees believe and accept organizational goals, as well as willingness to stay within the organization. Various studies show that people who are relatively satisfied with their work will be a little more committed to the organization. Luthans (2006) states that organizational commitment is an attitude that reflects employees' loyalty to the organization and an ongoing process in which organizational members express their concern and success and continuous progress. The forms of organizational commitment are further explained by Greenberg and Baron (2000) as the followings: (1) affective commitment as a form of strong commitment to remain as a member of an organization; (2) continuance commitment as a desire to work hard because employees have the ability or achievements that can be developed for the organizational progress; and (3) the normative commitment as the desire of employees to continue their work.

Based on research conducted by Xiong and Marie (2003), organizational commitment has a positive and significant effect on employee's performance. The study proves that the relationship between organizational commitment and performance is directly proportional. It means the higher the commitment of employees to the company, the higher the performance becomes. This applies to all types of organization, including health clinics.

A monthly attendance report at one clinic (Clinic X) in Surabaya shows that the average lateness from July 2014 to October 2014 was 88.85 minutes, which was significantly higher from the standard fifteen-minute lateness grace period in the clinic. The average of tardiness time in one month in the clinic was 1,777 minutes in comparison with the standard delay tolerance of 300 minutes. The increasing level of employees' tardiness represents the lack of discipline, which in turn will also reduce productivity as well as employees' performance.

New policy and regulation regarding punctuality were introduced in January 2014. The policy designates punishment to employees who come late. Punishment is given in the form of salary deductions, repatriation of employees, and additional work outside office hours. Since the implementation of the punishment system, there has been no significant improvement in the punctuality of the employees. Therefore, there must be other thing that can be done by the organization to rectify this problem because good employees with discipline and productive performance are needed to achieve organization goals.



Employees' performance is influenced by various factors, such as discipline, work environment, leadership, organizational culture, and work motivation (Mangkunegara and Octorend, 2015; Ayundasari, Sudiro, and Irawanto, 2018) . A disciplined employee tends to work under established regulations. The employees' discipline in adhering to and implementing policies and rules set by the organization at work is expected to encourage them to carry out their duties in an orderly and smooth manner. In contrast, policies and regulations regarding improvement of employees' motivation for employees are often considered trivial and do not add to their work productivity.

Monetary compensation in form of both salary and incentives or bonuses are considered as the primary motivation in improving employee's performance. According to Handoko (2000), compensation is essential for employees as individuals because the amount of compensation reflects the size of the work value among the employees themselves, their families, and the community. Research by Jamil and Raja (2011) shows that an increase in salary/wages and also compensation (reward) has a significantly positive relationship to employee's performance.

Based on this background, the main problem in this study is the high level of employee's lateness in Clinic X from July 2014 to October 2014. The average daily lateness is 88.85 minutes and 1,777 minutes monthly. The standard daily lateness tolerance is 15 minutes, while the monthly standard is 300 minutes. Therefore, the primary objective of this study is to suggest some recommendations for reward system that is appropriate for employees in health service providers.

# **METHOD**

This is a quantitative analytical research. The study is designed as cross-sectional study using observations. The study was conducted in clinic X from July to October 2014. The study population was all 31 employees in the clinic (16 people were permanent employees, and 15 people were contract employees). The sample size in this study was 17 people who were determined using purposive sampling. According to Siagian and Sugiarto (2000), researchers should formulate criteria for samples. The research samples were employees who came late during the period July to October 2014.

Primary data collection was carried out using questionnaire to identify needs and expectations related to rewards in the clinic. Observations and document checking were done to all types of secondary data including monthly attendance report and the impact of punishment policies that have been applied in the clinic. Focus Group Discussion (FGD) after observation was carried out representatives of management and functional employees to develop reward system and mechanism. Results of the FGD were used to formulate an appropriate reward system for employees of the clinic. After a consensual reward system was formulated, it was then implemented. Feedbacks are collected and evaluation following the

implementation was carried out to assess the effectiveness of the new system.

#### **RESULTS AND DISCUSSION**

#### **Lateness and Punishment**

Human resources are one of the most valuable assets in an organization. Humans are unique resources that can utilize other resources. Elements of human resources are important key factors that must be maintained by an organization along with the service demands. Therefore, efforts to maintain good quality human resources are essential in an organization.

In January 2014, the management of Clinic X implemented a new policy regarding office hours. The morning shift of functional employees starts at 07:00, while the afternoon shift starts at 14:00. Structural employees working hours start at 08:00. Lateness no more than 15 minutes, for each respective working hours, is acceptable. Employees who come later than 15 minutes of their working hours will be given punishment. Although it is a form of negative reinforcement, punishment, applied appropriately and wisely, can be a tool to increase work motivation, work accuracy, and work productivity (Jayanti, 2014).

Punishment can be in the form of reprimand, warning letter, suspension, and even termination of employment. Punishments might also be in a form omission of bonuses on the respective month. Furthermore, employees might also be excluded from promotion opportunities if the misconduct is considered serious. Punishments for lateness sanctioned to employees in clinic X include salary deductions, employee repatriation, and additional work outside office hours. There is an IDR 10,000 salary deduction for those who come late for four times. Deduction is applied to the salary given in the following month. It is done in the hope of improving performance by discouraging further misconduct (Jayanti, 2014).

Based on monthly attendance report in the clinic, the average employee tardiness from July 2014 to October 2014 was 88.85 minutes. Additionally, lateness monthly average was 1,777 minutes. During the period of July to October 2014, the highest level of employee lateness was in July 2014, reaching as high as 447 minutes. In the course of July 2014, five employees were late with an average lateness of more than 15 minutes. During July and August 2014, four employees came late with the same total tardiness of 274 minutes and average tardiness of above fifteen minutes in July 2014. There was an increase of lateness with a total of 444 minutes in September 2014, and it was 366 minutes in October 2014.

Enforcing discipline in the company is not an easy task for managers. Misconducts and violations, such as quarrel, dishonesty, absenteeism, or harmful actions that interfere with the workflow of the company need to be investigated. Many factors can influence the upholding of discipline in a company (Purcarea, Fleaca, & Dumitriu, 2009; Taty & Basir, 2016). Such factors include the presence of leadership in the company, the size of the



compensation, and the courage of the leaders in taking action (O'Connell, Delgado, Lawrence, Kung, & Tristan, 2017; Waris, 2015). Regulations (Dumbravă, 2014), attentive leadership (Liphadzi, Aigbavboa, & Thwala, 2015), as well as good supervision (O'Connell et al., 2017) can also create good employee's discipline at work.

In addition, there are other aspects that are more internal, in terms of the employees. One of these aspects that managers might want to look into is perception. Perceptions about tardiness, lateness, and procrastination in the clinic need to be changed. According to Schiffman and Kanuk (2007), perception is a process by which a person chooses, organizes and interprets the stimuli received into a meaningful and interrelated picture of his world condition. If employees perceive tardiness as something normal, the company will risk lowering the quality its health services. The clinic will not be able to use its maximum capacity to provide services to its patients.

Another internal aspect that is also important is motivation. Motivation is essential for employees in the clinic to provide a timely health services. Motivation for the employees is better constructed from within the clinic itself. Using role modelling is one example. Role modeling from the supervisors to come on time is very important.

Apart from that, working environment also needs to be considered so that the employee's mood is always good during work. Work environment includes physical condition of the office, such as lighting, spaces, and room temperature which can

improve conducive atmosphere and enthusiasm, and influence employee performance (Sedarmayanti, 2001). Therefore, work environment cannot be underestimated since it influences the employee's performance. This finding is in line with research from Dhermawan et al. (2012).

## **Employee Needs and Expectations**

There are three primary human motivations: the need for power, the need for affiliation, and the need for achievement. First, the need for power is the need to encourage employees to work better because of the opportunity to get a better position. Automatically, the higher the salary is, the higher the position is. Therefore, promotion opportunity must be given by the employer to motivate employees. Second, the need to be affiliated which is closely related to the social interaction between employees. Affiliation need can be utilized to encourage employees to improve themselves because humans basically want to be more powerful, respected, and honored in their surroundings. Lastly, the need for achievement can be used to encourage employees to develop creativity and actualize their ability to achieve optimal performance. Every employee must realize that high achievement will be greatly rewarded (McClelland, 1976).

Every employee have different needs. These needs are what the management needs to explore so that employee's discipline becomes a positive driving habit and internalized motto. Tardiness can be minimized or, if possible, eliminated. Table 1 shows a description of the needs of employees in the clinic and how vital are them for the employees.

Table 1. Employees' Need in Clinic X (2014)

Employees'		Total	%							
needs	Very low	%	Low	%	High	%	Very High	%		
Transportatio n	2	11.76	10	58.8 2	3	17.65	2	11.76	17	100%
Reward	0	0.00	0	0.00	14	82.35	3	17.65	17	100%
Punishment	10	58.82	4	23.5 3	2	11.76	1	5.88	17	100%

Table 1 illustrates that reward is one of the most desired necessities other than basic salary. Employees do not only need rewards in the form of praises and acknowledgments, but also financial incentives. This is especially apparent in the case of Clinic X since the implementation of punishment policy in January 2014.

Punishment policy of January 2014 has been proven ineffective and does not have positive impact on employees' discipline. Instead of encouraging, punishment turns out making employees unhappy because of the salary deduction. In returns, it lowers employees' satisfaction and motivation.

Transportation needs, so far are not significant because many employees already have their own vehicles, either motorbikes or cars, to go to the office.

After identifying the needs of employees, expectations of employees were observed in relation to their role to improve productivity. Expectation is what the employee expects from the organization or management. People usually see what they expect

to see, and what they expect to see is usually based on past habits and experiences (Schiffman and Kanuk, 2007). Expectations from employees should also be fulfilled by the clinic management. Expectation fulfillment indicates that management is concerned and supports what is expected by employees. Employees who develop their capacity and capability will be a distinct advantage for organizations. The progress of the organization will increase, and the achievement of the organization's objectives will be carried out. They will bring progress to the organization and success in the attainment of its objectives.

The importance of employees' expectations on a policy or regulation must be addressed wisely by the managers, especially in regards to the critical perception between managers and employees. Managers need to equate management expectations with employees' expectations so that satisfaction between the two is obtained. This condition can occur if the expectations of both can be met in real time. For instance, the organization knows that employees



can work well and achieve organization's goals, while it is also aware of employees' expectation about their career. Therefore, managers need to look at anything that might be expected by the employees, primarily related to the punishment system.

Table 2. Expectations of Employees regarding Punishment System in clinic X in 2014.

	Expectation Level								Total	%
Expectation on Punishment System	Very Low	%	Low	%	High	%	Very High	%		
Payroll deduction	3	17.65	10	58.82	3	17.65	1	5.88	17	100%
Repatriation	3	17.65	12	70.59	2	11.76	0	0.00	17	100%
Additional work outside office operational hours	10	58.82	4	23.53	2	11.76	1	5.88	17	100%

It is the nature of employees to dislike punishment system. The majority of employees' expectations on punishment system are low. These expectations illustrate the condition of employees who feel pressured by the policy and do not have motivation to come early. Employees' expectation on additional work outside office operating hours on the day they are late is also very low. Two other options namely employees' repatriation and salary deduction are also not in demand. Salary deduction can reduce employees' morale at work. At the beginning of each month, employees who were late in the previous month will be given salary deductions. Punishment in the form of repatriation of employees has never been implemented since early 2014, but this makes

employees afraid and lower their enthusiasm at work. An alternative to boost employees' discipline is to give them reward. Therefore, management needs to see what and how are employees' expectations regarding rewards.

Employees' expectations related to rewards must also be adjusted to the manager's decision. Employees' expectation can improve productivity so that the fulfillment of employees' expectations will contribute to what is expected by the managers. Reciprocity is essential because the organization will give everything according to employees' expectations to improve their productivity. Table 3 illustrates employees' expectation of the reward system if it is applied in clinic X.

Table 3. Expectations of Employees regarding Reward System in clinic X in 2014.

	Expectation Level									
Expectations on Reward System	Very Low	%	Low	%	High	%	Very High	%	Total	%
Extra incentives	0	0.0	0	0.00	14	82.35	3	17.65	17	100%
Additional quota	1	5.8 8	1	5.88	6	35.29	9	52.94	17	100%
Gift	2	11. 76	2	11.76	11	64.71	2	11.76	17	100%

Some companies provide material and non-material incentives for employees who perform excellently and show achievements to improve the quality of the company. Work culture is considered as a philosophy that can be based on a person's view of life as a trait, driving force and habit, entrenched in the life of a group, community or organization and can be reflected from attitudes into behavior, beliefs, ideas, opinions and actions that manifest as "work". A good work culture should be able to make employees work with or without incentives.

Table 3 states that 82.35% of employees chose additional incentives as a reward if they come on time to the office. Incentives, in addition to basic salaries, are a good motivation for employees to be ready to provide health services right from the opening hours of the clinic. Also, it can encourage employees to work diligently. Gifts are also favored by employees, although they do not exceed the level of incentives. The amount of incentives is also necessary for employees. The higher the number of incentive given as rewards, the more pleased the employees will be. The majority of employees chose a range of IDR 51,000 to IDR 70,000 as the proper amount of incentive. In turn, it motivates them to

provide better health services. The number of incentives cannot be determined unilaterally. Therefore, managers should consider all employees, structural and functional, before imposing new regulations related to incentives.

# **Reward System**

Reward can draw the attention of employees and provide information or remind employees about the advantage of performing well at work. Reward also increases employees' motivation towards performance assessment thus helping employees to allocate their time and effort better. Performancebased reward encourages them to change their mindset from fulfilling their self-interest to organizational goals (Suprantiningrum, 2002). Reward programs are vital to be considered by managers because rewards can increase or decrease work performance, job satisfaction, and employee's motivation. Whether or not the organization's objectives have been determined, they depend on how the employees perform. Therefore, the optimization of the reward system to is crucial in improving employees' performance.



This importance of rewards for employees is what made the management of Clinic X finally agreed on implementing a reward system to reduce employee tardiness. The decision was made after conducting and seeing evaluations related to the high level of employees' lateness from July 2014 to October 2014. Employees' needs and expectations also become part of the consideration. Employees get monetary gain in return for doing their jobs. These gains come in form of salaries, incentives, as well as additional bonuses to compensate employees' performance, commonly known as rewards.

Reward, according to Kreitner and Kinicki (2003), is divided into Extrinsic Reward and Intrinsic Reward. Reward provided by the clinic is Extrinsic Reward, namely attendance incentive. Incentives are rewards or remuneration directly given to employees as a form of appreciation because the performance given to the company exceeds the prescribed standard. Incentives can be interpreted as other forms of direct wages but outside of wages and salaries that are considered as permanent compensation. Incentive is usually called performance-based compensation (payment for performance plan).

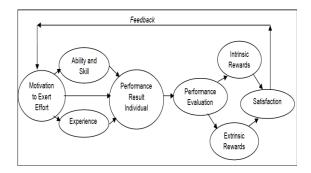
A company needs an effective strategy to achieve success. Managers and Human Resources departments can also use incentives for employees as one of the best ways to motivate employees in achieving organizational goals. Incentive system can link compensation and employee's performance with an assessment of the performance and workload. Incentive can be given to groups, units, or individuals as awards to high achievers.

There are three functions of rewards in building expected employees behaviors. Reward can increase employees' motivation to achieve goals, and give an opportunity to someone who is potential to develop their goals. The primary objective of a reward is to increase employees' motivation to work effectively and efficiently, attract the interest of talented people in the organization, and maintain the enthusiasm and presence of employees at work. Achieving optimal performance requires good support and high motivation. The use of incentives to appreciate employees' performance which goes exceeding the set targets is reasonable. The cost of cutting, restructuring, and driving performance leads one to logically link compensation and performance. The objective direction of the program is to treat employees as partners and make them realize their role in achieving the organization's goals.

Managers evaluates employees' performance formally and informally. The conventional evaluation data are obtained from comparing extrinsic rewards. The employees then evaluate the rewards they get. Employees can receive or withdraw rewards from the company. A sufficient level of employees' satisfaction will be obtained if the reward is considered sufficient and fair. Overall, reward system can be explained by integrating motivation, satisfaction, rewards, and performance, as illustrated in Diagram 1. Employees performance is a combination of effort, skills, abilities, and experience of a competent individual.

To come up with the suitable reward system to be implemented in clinic X, an FGD was conducted with the representatives of structural and functional

employees. The discussion was based on the rewarding process from Gibson et al. (2000). The managers agreed to include elements of individual experience and performance in determining the number of incentives for employees. Monthly evaluation in the attendance report also determines the amount of incentives. Employees who come to work no later than 15 minutes after the start of office hours get incentives according to their working hours in the clinic.



Source: Gibson et al., 2000 Diagram 1. Reward Process.

Rewards are given to employees who have a good attendance record in a month. These incentives are non-permanent (non-fixed salary). Good attendance record requires the followings: (1) no more than five times lateness and/or not exceeding 60-minute total lateness in a month (lateness is accounted if employees come after 07:15 or 08:15); (2) permit to come to the office within one month (except leave); and (3) a minimum of 5 working hours of total attendance in one day (applied to employees who have permission to leave the office or go home early). The amount of incentive is calculated based on the employee's tenure. Employees working less than a year get up to IDR 50,000. Those who have been working for more than a year and up to 3 years get IDR 75,000. Three to 5 years of tenure yields up to IDR 100,000, and employees working more than 5 years get up to IDR 150,000.

These rewards can improve employees' job satisfaction, characterized by pleasant attitude and the love to their job. This attitude is reflected in their high morale, discipline, and performance. Job satisfaction is obtained when the employees are at work, outside work, and a combination of inside and outside work. Employees will be able to work better, and improve their achievements when they are satisfied with the work they do. The amount of the attendance incentive is, the result shows, able to boost employees' enthusiasm to do a good job. Work requires interaction with colleagues, supervisors, organizational rules and policies, performance standards, working conditions, and so on. Employees with a high level of job satisfaction will show a positive attitude at work. in the contrary, employees who are dissatisfied with their work show negative attitude.

# Impact of Reward System Implementation

Good managers should not maintain order and standards of their employees using anger and emotion. Managers must have good emotional



control, especially in giving punishments. A punishment is considered fair and commensurate if it is based on rules and regulations of the company. Punishments should not be too light nor too heavy. Too light of a punishment can be interpreted as trivial, giving possibilities for recurrence in the future. And if the punishment is too heavy, it can cause anxiety and inconvenience that might interfere with the quality of work.

Giving rewards is one of the company's efforts in providing remuneration and appreciation for employee's work so that employees can have more enthusiasm for working and optimizing their potential. Employees need rewards as a positive reinforcement to motivate them to work better. Punishments, on the other hand, are a negative reinforcement. Effective managers need to implement both. Employees doing their jobs have a purpose, among others, to earn income to meet their needs and their wants. Employees' job satisfaction can be obtained if this expectation is met, especially regarding incentives, salaries, benefits, and other rewards. Job satisfaction can also be attained if the value obtained is considered greater than the sacrifice given at work.

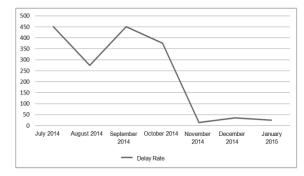
The reward system is expected to improve employee's motivation, because employees will feel appreciated for what they do in the organization. Also, rewards given for high performance will increase employees' job satisfaction. Personal satisfaction is influenced by the quantity and quality of the reward. Every individual has a different perception of the desired reward based on one's interests. Rewards given for the achievements must meet the individual's needs. The majority of employees compared the rewards they get between them. If there is an injustice, it can potentially cause dissatisfaction. Reward system will run effectively if equally, implemented fairly, evenly, transparently.

The expected outcome of the rewards given to employees is that they can be motivated, developed, and secured in their work because they are well rewarded and appreciated. For companies, incentives are one of the strategies to increase efficiency and productivity of companies. Minimizing tardiness will directly impact the discipline and quality of human resources in the clinic. Changing punishment system into a reward system in the form of attendance incentives is also expected to change the mindset of employees who felt disadvantaged by salary deductions because of the punishment policy.

Reward system in the form of attendance incentives in clinic X began to be implemented in November 2014. Evaluations on the implementation of reward system include evaluation of the punishment system, employees' needs, and employees' expectations. These evaluations, along with agreements between managers and employees, are critical for the implementation to succeed. Employees show positive response towards the new reward system applied in the clinic. Graph 1 illustrates the reduction of the delay rate in the clinic.

Graph 1 shows that there was a significant decline after the implementation of the reward system. In November 2014, there was only one late employee with a delay of no more than 15 minutes. In December 2014 there was one employee who

come late with a delay rate of also under 15 minutes and one employee with a delay of 23 minutes. In January 2015 there was only one employee who arrived late with a delay of 17 minutes. These employees could not make it on time because they had something to do before going to work.



Graph 1. Comparison of Lateness Reports for July 2014 - January 2015.

From November 2014 to January 2015, there was a slight increase in the number of late employees, but the aggregate decline was satisfying. The initial success of the reward system had made management considered it as an applicable strategy to make employees believed in the organization, which in turn would boost employees' commitment. Employees' commitment to the organization will create loyalty, making them to perform well for the interests of the organization (Yuwalliatin, 2006). This situation is beneficial to achieve organization's goals because the organization has the full support of its members so they can concentrate fully on the primary objectives.

The implementation of the reward system in the form of incentive attendance in clinic X resulted in a positive response from most employees. The managers hoped that employees will improve their effectiveness, efficiency, and productivity. Also, the implementation of the reward system is expected to increase their service quality and high job satisfaction, so that it will increase the demands for the company and at the same time, reduce complaint from costumer. The implementation of the reward system can also improve the quality of work condition for employees. The system has been running well, yet the implementation of the reward system must always be evaluated to monitor the impact towards employees' performance.

# **CONCLUSION**

Policies or regulations regarding the system of punishment imposed by the managerial section to employees since January 2014 had not shown satisfactory results. Evaluation results of employees' lateness show that the number of employees who came late did not decrease, and the number of minutes of lateness still exceeded the standard 15 minutes per day. Therefore, the managers should be finding out the needs and expectations of the employees.

The employer had a high level of need, which is 82.35%. Not all employees agreed to the implementation of punishment system. Employees'



expectations for the reward system are almost as high as the employees' need for a reward system of 82.35%. Evaluations on the level of lateness, needs, and expectations of employees led to an agreement of implementing a reward system as a substitute for the punishment system. The reward was given to employees who have good attendance in one month. In the form of attendance incentives, which are not permanent components of non-permanent salaries. The amount of attendance incentive is adjusted to the employee's tenure.

In general, the implementation of the reward system in clinic X showed positive results and received accountable responses. The level of employees lateness had been improving, showing figures less than the standard 15 minutes. Rewards in the form of attendance incentives satisfy the employees. Satisfaction is very influential on employee's motivation to always strive for providing the best performance for the organization, especially giving the best service to customers of the clinic.

Good sustainability can undoubtedly turn out to be less useful or less optimal. These changes are significant to be understood by the managers, so it is essential to periodically evaluate the impact of the incentives given to employees. In addition to evaluating the incentives, evaluations on employee's performance and delays were also carried out. If the evaluation is done correctly, the quality of Human Resources can always be maintained. Overall, employees' performance evaluations must be routinely carried out for management purposes so that conclusions can be obtained on whether giving a good reward system is directly proportional to high employee performance or the other way around.

Developing a reward system is vital to find innovative rewards that improve motivation. Good results will have a good impact on the progress of the organization, yielding satisfaction of the customers towards health services. The customers will also provide proper assessment to improve the quality of service. Further research can be done to find out functioning modification of the reward system. Research is not only done on rewards but also on performance, workloads, or other variables related to incentive. Further research might also look into the application of such reward systems to other healthcare providers such as hospitals and health centers. The results of the study will undoubtedly be able to provide a good impact, point of reference, and become the basis of organizational management to make further policy.

## **CONFLICT OF INTEREST**

The authors declare that they have no conflict of interests.

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