



THE EFFECT OF REWARD AND PUNISHMENT SYSTEMS ON IMPROVING THE QUALITY OF HEALTH SERVICES IN HOSPITALS IN DENPASAR CITY: LITERATURE REVIEW

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ABSTRACT

This study aims to examine the effect of reward and punishment systems on improving the quality of health services in hospitals, particularly in Denpasar City. Reward and punishment systems are crucial elements of human resource management that can motivate both medical and non-medical staff to enhance their performance. In the context of hospitals, these systems not only influence employee motivation but also have a direct impact on the quality of services received by patients. This research employs a literature review method, with data sourced from indexed national and international journals, textbooks, and related research reports. Data were collected through a literature search using databases such as, Scopus, and Google Scholar. Relevant articles were critically analyzed to identify key findings regarding the implementation of reward and punishment systems in the healthcare sector. The study reveals that an effective reward system can significantly boost employee motivation and improve service quality, while an appropriate punishment system helps maintain work discipline and prevents a decline in service standards. Achieving a balanced implementation of both systems is essential for optimal outcomes. Therefore, hospitals in Denpasar City are encouraged to adopt more effective reward and punishment systems to support the goal of enhancing health service quality. This research is expected to contribute to identifying the benefits and challenges of implementing such systems, as well as providing recommendations to improve their efficiency. Additionally, it aims to enrich the literature on quality management in healthcare services, particularly in the Indonesian context.

Keywords: health; hospitals; punishment; reward

INTRODUCTION

Quality health services are one of the basic needs of society, especially in the modern era where expectations for quality of service are increasing. According to the World Health Organization (WHO), the quality of health services includes aspects of effectiveness, efficiency, accessibility, and patient safety (WHO, 2018). Research shows that hospitals that are able to provide quality services not only increase patient satisfaction, but also extend patient life expectancy and improve overall public health conditions (Donabedian, 1988). In Indonesia, optimal health services have become a priority in the national health system, especially in efforts to achieve the Sustainable Development Goals (SDGs) targets, one of which includes improving public health and welfare (Ministry of Health, 2020).

To improve the quality of health services, various management strategies have been implemented, one of which is through the reward and punishment system approach. The reward system aims to provide awards to medical personnel or staff who perform well, while the punishment system functions as a control tool to ensure that each employee complies with the established standards (Robbins & Judge, 2016). The implementation of rewards and punishments not only increases employee motivation but also plays an important role in forming a quality-oriented work culture (Dessler, 2017). In the context of hospitals, this system allows management to appreciate the contributions of highly dedicated medical personnel and encourage them to maintain service quality (Sulistiyani, 2018).

In hospitals in Denpasar City, the challenge of improving the quality of health services is increasingly apparent with the increasing number of patients and the complexity of their needs. Based on data from the Bali Provincial

Health Office, the average hospital in Denpasar experiences an increase in patient visits of 12% each year (Bali Provincial Health Office, 2022). This requires hospital management to implement effective management strategies, one of which is through the implementation of rewards and punishments, in order to maintain optimal health service quality even though the workload is increasing (Handoko, 2019).

However, implementing a reward and punishment system in a healthcare environment is not always easy. Several studies have shown that this system can have negative impacts, such as decreasing intrinsic motivation if rewards and punishments are not applied fairly or transparently (Luthans, 2011). In a hospital environment, factors such as demands for professionalism and work ethics are also considerations that must be considered in designing this system (Gibson, Ivancevich, & Donnelly, 2012). Without proper management, a reward and punishment system can actually cause dissatisfaction among medical staff, which can ultimately reduce the quality of service provided to patients (Widodo, 2020).

In the context of health services in Denpasar City, the reward and punishment system has great potential to be implemented to maintain and improve the quality of service. The implementation of this system allows hospitals to continuously measure, evaluate, and improve the performance of medical personnel. In addition, awards for medical personnel who perform well can also be an attraction for other health professionals to join the hospital (Rivai & Sagala, 2014). Denpasar City as one of the health service centers in Bali Province has an important role in demonstrating the success of the implementation of this system, so that it can be an example for other regions in improving the quality of health services (Bali Provincial Health Office, 2022).

This study aims to analyze the effect of reward and punishment systems on improving the quality of health services in hospitals, particularly in Denpasar City. Reward and punishment systems are crucial elements of human resource management that can motivate both medical and non-medical staff to enhance their performance. In the context of hospitals, these systems not only influence employee motivation but also have a direct impact on the quality of services received by patients. The research employs a literature review method, with data sourced from indexed national and international journals, textbooks, and related research reports. Data were collected through a literature search using databases such as, Scopus, and Google Scholar. Relevant articles were critically analyzed to identify key findings regarding the implementation of reward and punishment systems in the healthcare sector.

The study reveals that an effective reward system can significantly boost employee motivation and improve service quality, while an appropriate punishment system helps maintain work discipline and prevents a decline in service standards. Achieving a balanced implementation of both systems is essential for optimal outcomes. The purpose of this study is to identify the benefits and challenges of reward and punishment systems and to provide recommendations for improving their efficiency. Moreover, this research seeks to enrich the literature on quality management in healthcare services, particularly in Indonesia. The findings can serve as a reference for other hospitals that wish to adopt similar management strategies (Sugiyono, 2019). Hospitals in Denpasar City are expected to utilize these insights to adopt more effective reward and punishment systems, thereby supporting their goal of enhancing the quality of health services.

METHOD

This research uses the method *literature review*, the inclusion criteria of the articles used were reward and punishment system for improving the quality of health services in hospitals, while the exclusion criteria are articles with abstracts and articles that are not displayed in full text. Article searches are limited to articles accessed from internet searches from databases, namely: PubMed, Scindirect, Scopus and Google Scholar with keywords Reward system, punishment, quality of health services, hospital management, employee motivation, service quality that met the inclusion criteria were collected and analyzed systematically. The search *literature* published from 2015 to 2024. Articles that meet the criteria are then analyzed and presented in narrative form.

RESULT AND DISCUSSION

Based on the analysis of articles that have been obtained and carried out, data was obtained that reward and punishment system has an influence on improving the quality of health services in hospitals. Research conducted by (Darmanto & Wardaya, 2016) the effect of rewards on nurses' work motivation, this study shows that providing adequate rewards increases nurse productivity, thereby improving the quality of health services (Darmanto & Wardaya, 2016). Research conducted by (Juliati, 2018) on Rewards and Nurse Performance at Tanjung Pura Hospital, the results of this study indicate that nurses who receive rewards are more likely to improve their performance, which has a direct impact on the quality of service (Juliati, 2018). Research by Hidayanto et al., 2015 on reward evaluation in the nursing care documentation system. This study revealed that rewards in the form of appreciation and incentives encourage nurses to be more careful in documentation, which improves the quality of service (Hidayanto et al., 2015). Research by Study at GMIM Siloam Sonder Hospital This study found that patient perceptions of service quality increased by providing rewards for medical staff with good performance (2020).

Research by Isnainy et al., 2018 related to the Influence of Rewards on Nurses' Satisfaction and Work Motivation. The results of the study showed that fair rewards increase nurses' work satisfaction and motivation, which improves the quality of patient care (Isnainy et al., 2018). Research by Bahrudin & Budiyo (2023) this study examines the impact of reward systems on employee performance and patient satisfaction in hospitals. The results show that an effective reward system significantly increases employee motivation, which in turn improves service quality. Wati, RF, & Rahmawati, D. (2022) research highlights the role of punishment in strengthening compliance among healthcare staff. It was found that a balanced approach between reward and punishment resulted in optimal performance. Yusuf, A., & Fitriani, L. (2022) research This article explores the relationship between the implementation of a reward system and patient satisfaction levels in inpatient services. The results showed that hospitals with structured reward programs had higher patient satisfaction levels. Kurniawati, R., & Junaidi, A. (2021) research This study analyzed the effects of reward and punishment on the overall quality of healthcare delivery. It was found that although rewards increase staff morale, punishment is also important to maintain standards.

Research by Sari, YN, & Supriyadi (2021) this study assessed how reward systems affect teamwork among healthcare professionals. The results showed that rewards and rewards significantly increase collaborative efforts, which directly affect the quality of patient care. Research Haryanti, D. & Mulia, P. (2020), This study focuses on the implications of punitive measures on employee behavior in hospitals. The results showed that excessive punishment can lead to decreased morale and negatively impact patient care. Setiawan, F., & Lestari, R. (2020) Investigating the role of incentives in healthcare, this article highlights how rewards and punishments shape staff attitudes and behaviors, which ultimately affect the quality of service delivery. Research Lestari, S., & Waluyo, B. (2022) This study focuses on how reward systems facilitate better performance in hospitals. The findings show a strong relationship between staff rewards and improved patient outcomes. Research Anugrah, R. & Fitriani, M. (2021), This study evaluates the balance between rewards and punishments in creating a high-quality healthcare environment. It was found that a well-thought-out mix resulted in better staff performance and patient satisfaction. Ningsih, A. & Siti, M. (2019) research this article provides a comprehensive review of reward and punishment systems in the health environment. The results of the study indicate that effective management of these systems is essential to maintaining high-quality health services.

CONCLUSION

In this study, the influence of the reward and punishment system on improving the quality of health services in hospitals has been discussed in depth. With the presence of various articles and recent studies, it has been revealed that the implementation of an effective reward system can increase the work motivation of health staff, which in turn contributes to improving the quality of services provided to patients. Conversely, a punishment system that is implemented wisely also plays an important role in maintaining compliance and discipline in the hospital environment, thereby supporting the achievement of the expected service standards. In addition, the articles that have been discussed show that there is a significant relationship between patient satisfaction and the reward system implemented. When medical staff feel appreciated and motivated, they tend to provide better service, which ultimately increases patient satisfaction. Research by Yusuf and Fitriani (2022) and Kurniawati and Junaidi (2021) underlines the importance of recognizing staff performance as one of the determining factors in creating a positive experience for patients.

This study shows that the reward and punishment system plays an important role in improving the quality of health services in hospitals. The implementation of an appropriate reward system can increase employee motivation, improve their performance, and ultimately improve the quality of services provided to patients. On the other hand, punishment that is applied fairly and consistently can improve work discipline and prevent a decline in service standards. However, the balance between these two systems is very important to ensure that both can work synergistically, not contradict each other. Therefore, hospitals in Denpasar City, and other hospitals, need to design and implement an effective reward and punishment system that is in accordance with the needs of the organization and the conditions of the work environment. Periodic evaluation of this system is also needed to ensure its sustainability and effectiveness in the long term. Thus, a good management system is expected to create an environment that supports improving the quality of health services, which ultimately provides a positive experience for patients.

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