

Elevating Employee Performance: The Role of Extrinsic Motivation and Skill in a Bandung Hospital

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ABSTRACT

This study seeks to investigate the effects of extrinsic motivation and competence on staff performance and their combined influence in a hospital in Bandung. The employed research method is both descriptive and verificative. The study population comprises staff at a hospital in Bandung, with a sample size of 55 respondents determined using Slovin's algorithm. Data collection was executed via questionnaires, and data analysis was carried out using route analysis with the aid of SPSS 17 for Windows. Statistical analysis revealed that extrinsic motivation exerts a direct influence of 17.7%, an indirect effect via competence of 11.8%, and a cumulative effect of 29.5%. The competence variable exerts a direct influence of 31.2%, an indirect effect via extrinsic motivation of 11.8%, and a cumulative effect of 43%. The coefficient of determination (R^2), represented as a percentage, signifies that the combined influence of all independent variables—extrinsic drive and competence—on the performance variable is 0.726 or 72.6%. Additionally, additional unexamined elements affecting performance are indicated by the value $\varepsilon = 0.274$ or 27.4%. Consequently, it may be inferred that extrinsic incentives and competence substantially influence staff performance at a hospital in Bandung. This research indicates that hospital management should prioritize boosting extrinsic motivation and cultivating employee competencies to elevate overall performance. The hospital may cultivate a more productive work atmosphere by employing tactics that promote motivation, such as recognition programs and professional development opportunities, resulting in improved patient care outcomes.

Keywords: *Extrinsic Motivation, Competence, Employee Performance*

INTRODUCTION

Health services are essential for attaining enhanced health standards, a fundamental entitlement that guarantees superior health quality for all societal members. Health services have substantially improved public health, especially in hospital care.

Hospitals are a fundamental component of the healthcare system, delivering diverse forms of patient care. Health significantly enhances the quality of life within the community. High-quality resources are essential for providing adequate health care in hospitals. By adequately utilizing available resources, hospitals can optimize output in products or services to improve care.

Indonesia has numerous hospitals, both governmental and private. Hospitals often provide various health services for all demographics, encompassing medical services, ancillary medical services, rehabilitation, and nursing care. These services are delivered via emergency, outpatient, and inpatient units. Moreover, certain hospitals focus on specialized services, including ophthalmology, maternity, and pediatric hospitals.

Currently, hospital health services do not exclusively prioritize recuperation (rehabilitation). These services also include health promotion and prevention. Moreover, hospitals facilitate health maintenance and enhancement by offering facilities and amenities to comfort patients and visitors.

Human resources constitute the fundamental pillar and driving force behind a company's achievement of its vision, purpose, and objectives. They are essential as they influence the efficiency and effectiveness of the organization, serve as a fundamental function in corporate operations, and augment the company's worth. Human resources are the company's paramount asset, facilitating the proper operation of other resources. Consequently, effective management of high-quality human resources is essential to enhance the company's productivity and sustain a competitive advantage. (Pranata et al., 2022; Rosmaini & Tanjung, 2019)

The numerous constraints organizations encounter about resource ownership substantially impact their capacities. Organizations must formulate suitable strategies to utilize their resources efficiently to support operational activities.

Human resources are essential for evaluating productivity alongside profit assessment in every institution or business organization, generally termed a firm. Employee productivity can be assessed through their performance. (Aiyub et al., 2021) define performance as the outcome of work aligned with organizational objectives, including quality, efficiency, and other effectiveness standards.

Employee performance is esteemed within a firm because it reflects workers' accomplishments in executing their designated responsibilities. Employee performance outcomes reflect the efficacy of the management strategy implemented within the organization. (Kuswati, 2020)

Employee performance is a crucial determinant of a company's success and remains an important research subject. However, employee performance inside a corporation does not consistently improve; numerous challenges may emerge, resulting in a deterioration of individual performance. Thus, every organization endeavors to adopt tactics that guarantee consistent and progressively enhanced employee performance, facilitating the attainment of its goals. (Aryani et al., 2022)

The aspiration for ongoing enhancement or consistency in employee performance is a prevalent objective for corporations, organizations, and foundations. The factors with inferior results include attendance, with a score of 3.15, and work quality, averaging 3.4. The results are considered to stem from the company's insufficient incentive for employees and the competencies held by the personnel.

Optimal performance necessitates assistance from multiple sources, with employee motivation being critical. (Hersona & Sidharta, 2017) Employees exhibiting elevated work motivation typically demonstrate excellent performance; conversely, diminished work drive correlates with reduced performance.

Work motivation is essential for a company's productivity levels. Motivated personnel are likely to improve their performance in pursuit of personal goals. (Komar Priatna et al.,

2020) Enhanced personnel performance will subsequently elevate organizational performance. Consequently, increased motivation will enhance the performance of people, teams, and organizations. (Resawati & Rinawati, 2024)

Nonetheless, the extrinsic motivation observed among most hospital personnel in Bandung hospitals remains suboptimal. Many employees perceive a dissonance between their sacrifices and the rewards they receive, highlighting concerns such as unsuitable assignments, inadequate compensation, and insufficient management incentives. This immediately affects employees' extrinsic motivation, resulting in inadequate performance.

Factors that bolster employees' extrinsic motivation, such as status, which obtained a score of 3.2, suggest that numerous employees have not attained positions or titles commensurate with their knowledge, tenure, or job responsibilities. The working conditions, rated at 3.15, indicate that the work environment insufficiently facilitates employees in performing their duties. Employees regard the company's wages as insufficient, believing that their incomes should reflect their positions and conform to the prevailing pay standards. This signifies that established norms do not administer employee compensation, adversely affecting employee motivation.

Moreover, the existing working environment often lacks comfort for employees due to interpersonal friction among colleagues. A significant social divide exists among employees, resulting in diminished interpersonal harmony. This indicates that extrinsic incentive is not entirely maximized.

Individual motivation must be perpetually sustained, as it can wane or vanish due to several external and internal influences. Nonetheless, the most critical internal aspect is Self-Image, which exists within the subconscious. A largely negative self-concept in an individual may result in despair, narrow-mindedness, pessimism, and rejection of novel ideas. If the self-concept is positive, an individual will likely approach life with passion, optimism, and a preparedness to confront obstacles, accompanied by creativity and invention. Consequently, motivation is essential for individuals as it acts as an "extra source of energy" that may be harnessed during challenging periods or when facing barriers on the journey to achievement.

Subpar performance is attributed not only to motivation but also to personnel competency levels. Competence denotes the requisite skills for executing a task, including the relevant abilities and expertise. Oppong & Zhau (2020) define competence as an individual's capacity to perform a task accurately, characterized by proficiency derived from knowledge, skills, and attitudes. Organizations necessitate proficiency to facilitate effective job performance, and numerous entities implement competency criteria that personnel must fulfill. (Hajiali et al., 2022; Nguyen et al., 2020)

Establishing competencies inside a company delineates work norms and objectives while also conveying values and critical emphasis areas for employees' tasks. Among employees, those with a D-3 education level are the most prevalent, with 45 individuals, followed by D-3 holders at 25, S-1 graduates at 23, S-1 professionals at 20, and S-2 graduates at 7. An individual's capacity to execute activities accurately and excel is contingent upon knowledge, skills, and attitudes. This signifies that staff competencies are suboptimal, as numerous individuals have not achieved the educational qualifications mandated by set criteria. Furthermore, employees must obtain supplementary skills and knowledge through job-specific training to improve performance.

Hospital management must address these difficulties, as indicated by both primary and secondary data, to attain the anticipated levels of employee performance. The author aims to investigate the impact of extrinsic motivation and competency on staff performance at a hospital in Bandung.

METHOD

This study utilizes a descriptive and verificative methodology within a quantitative research framework. The descriptive research approach is employed to ascertain the values of additional variables under investigation and formulate conclusions. This research employs a descriptive method to analyze staff replies concerning extrinsic motivation, competence, and performance at a hospital in Bandung.

Conversely, verificative research seeks to evaluate theories and aims to establish scientific methodologies, particularly about the status of hypotheses, leading to judgments about their acceptance or rejection. This study used a verificative approach to investigate the sixth research question: the degree to which extrinsic motivation and competence affect staff performance at a hospital in Bandung, both concurrently and individually.

The study population comprises a collection of entities delineated by particular criteria that classify them as subjects. These entities may encompass individuals, documents, or records regarded as subjects of investigation. The population comprises the quantity of things or persons examined and all their qualities or attributes. This study's population consists of all 120 employees at a hospital in Bandung, with a sample of 55 responders.

This research includes validity and reliability testing to confirm that the instruments yield correct and consistent data. The validity test evaluates the degree to which the instrument accurately measures its intended construct, ensuring the data's reliability in addressing the research questions. Simultaneously, the reliability test ascertains that the instrument yields consistent outcomes when employed in analogous circumstances. Consequently, both assessments are essential for verifying the validity and reliability of the gathered data for subsequent analysis in this study.

DISCUSSION

An instrument is deemed valid if its items demonstrate a positive correlation with the total score and exhibit a strong correlation, signifying that the item also exhibits high validity. The lowest criterion for an item to be considered valid is $r = 0.300$. Consequently, if the correlation between an item and the total score is below 0.300, that item in the instrument is considered incorrect.

Reliability testing assesses the degree to which repeated measurements using identical objects produce consistent data. A correlation of 0.700 or greater indicates a reasonably high level of reliability; conversely, a correlation below 0.700 signifies unreliability.

The subsequent results pertain to the validity assessment for each question item corresponding to the relevant variables and the reliability evaluation for the three study variables.

Tabel 1. Uji Validitas dan Reliabilitas

No Item	Extrinsic Motivation	Competence	Employee Performance
1	0.639	0.622	0.350
2	0.470	0.579	0.331
3	0.444	0.656	0.351
4	0.605	0.497	0.548
5	0.586	0.455	0.349
6	0.539	0.645	0.354
7	0.517	0.790	0.394
8	0.579	0.585	0.401
9	0.651	0.481	0.460
10	0.614	0.460	0.311
11	0.476	0.521	0.309
12	0.688	0.562	0.353
13	0.700	0.654	0.343
14	0.574	0.529	0.365
15	0.468	0.553	0.338
Cronbach's Alpha	0,896	0,899	0,766

The findings presented in Table 1 indicate that the validity and reliability assessment of the research variables—extrinsic Motivation, Competence, and Employee Performance—at a hospital in Bandung offers significant insights into the quality of the measurement instruments employed. The outcomes of these validity and reliability assessments are essential initial measures to guarantee that the instruments utilized can precisely and consistently quantify each variable.

Validity seeks to evaluate the degree to which an instrument accurately represents the intended notion. This study assesses validity by analyzing the loading factor values of each indicator for every variable. A loading factor exceeding 0.4 is deemed legitimate, signifying that the items effectively represent the measured variable.

The loading values for the Extrinsic Motivation variable exhibit considerable variance, with a maximum value of 0.700 in indicator 13 and a minimum value of 0.444 in indicator 3. Notwithstanding the variability, the majority of indicators are above the minimum threshold of 0.4, indicating that most items in this instrument are valid for assessing staff extrinsic motivation at a hospital in Bandung.

The Competence variable exhibits a maximum loading value of 0.790 in indicator number 7 and a minimum value of 0.455 in indicator number 5. The loading values surpass the accepted minimal threshold, signifying that the employed instrument effectively measures the competence variable. The elevated loading values on many variables indicate that the instrument effectively captures the pertinent competence characteristics among personnel at this facility.

Nevertheless, the Employee Performance variable has more significant variability, with some loading values falling below 0.5. Indicator number 4 exhibits the maximum value of 0.548, whereas indicator number 2 displays the lowest value of 0.331. While most values remain within the approved validity range, the low loading values on specific indicators suggest deficiencies in assessing the performance variable. This indicates that certain items may lack sufficient strength to reflect facets of staff performance at the hospital accurately. Consequently, some aspects of the employee performance variable may require revision or elimination to improve the precision and pertinence of the assessment.

Alongside validity, reliability is a crucial factor to consider when measuring variables. Reliability denotes the degree to which measurement outcomes can maintain consistency upon retesting. This study assesses reliability using Cronbach's Alpha, with a value beyond 0.7 indicating instrument reliability.

The Extrinsic Motivation variable exhibits a Cronbach's Alpha score of 0.896, signifying that the instrument for assessing extrinsic motivation is reliable. This rating indicates that the items utilized in the instrument exhibit exceptional internal consistency, rendering them reliable for assessing extrinsic motivation.

The Competence variable exhibits a commendable Cronbach's Alpha score of 0.899. This score somewhat exceeds that of the extrinsic motivation variable, suggesting that the items under the competence variable exhibit considerable consistency in their measurement. The instrument's outstanding reliability instills confidence in its capacity to yield

dependable results within the scope of this investigation.

The Cronbach's Alpha value of 0.766 for the Employee Performance variable signifies moderate reliability; however, it is lower than the other two variables. This value exceeds the criterion of 0.7, enabling us to ascertain that the instrument continues to be reliable in assessing employee performance. Nonetheless, given that certain items have low loading values in the validity assessment, there exists potential for enhanced reliability through the modification or substitution of less representative items.

Table 1 indicates that the measurement instruments for the Extrinsic Motivation and Competence variables satisfy robust validity and reliability standards. Nonetheless, the Employee Performance variable has certain validity deficiencies that require rectification and enhancement. Enhancing this instrument would produce more precise and dependable outcomes in the research about the impact of extrinsic motivation and competence on employee performance at a hospital in Bandung.

$$Y = 0.421 X1 + 0.559 X2 + \epsilon$$

Utilizing the derived regression equation model, whereby Y denotes employee performance, X1 signifies extrinsic motivation, X2 indicates competence, and ϵ represents the error term, a comprehensive study can be performed about the impact of these two independent factors on the dependent variable.

The regression coefficient for the extrinsic incentive variable (X1) is 0.421. This graphic demonstrates that extrinsic motivation positively influences employee performance. Each one-unit increase in extrinsic incentive will improve employee performance by 0.421 units, provided all other variables stay unchanged. This outcome illustrates that extrinsic motivation is essential for enhancing employee performance at RSIA Al-Islam Bandung.

Extrinsic motivation pertains to incentives or stimuli originating from external causes, like compensation, benefits, rewards, and the work environment. At RSIA Al-Islam Bandung, performance awards, bonuses, and other incentives can motivate staff to enhance their productivity. The hospital management aims to improve personnel productivity and service quality by offering enhanced motivation.

Despite its considerable impact, the coefficient value of 0.421 suggests that extrinsic motivation is not the sole determinant of employee performance. Other criteria, such as competence, also significantly influence performance. This underscores that external

motivation, such as financial incentives, is inadequate for achieving optimal performance without reinforcing additional elements.

The regression coefficient for the competence variable (X2) is 0.559, which indicates that competence positively influences employee performance. If all other variables are held constant, a one-unit increase in competence will improve employee performance by 0.559 units. This coefficient value surpasses extrinsic motivation, indicating that competence exerts a more significant impact on staff performance in this hospital.

Competence includes employees' knowledge, skills, and abilities to execute their responsibilities. In a hospital in Bandung, the proficiency of medical and non-medical personnel is essential in ascertaining the quality of patient care. Employees with elevated competency can operate more effectively and produce superior technical and inpatient service outcomes.

Competence enhancement can be attained through training, skill development, continuous education, and regular assessments of personnel skills. The regression analysis reveals that enhancing employee competency significantly influences performance more than extrinsic motivation. This highlights that competency is crucial in influencing staff effectiveness and productivity in a professional setting such as a hospital.

The resultant regression equation demonstrates that extrinsic incentives and competence affect employee performance. The coefficients for each variable signify the degree of their impact in elucidating fluctuations in employee performance. The coefficients of 0.421 for extrinsic motivation and 0.559 for competence indicate that competence significantly influences employee performance more than extrinsic motivation.

Nonetheless, this does not imply that extrinsic incentives can be disregarded. Extrinsic motivation and competence together enhance employee success. Competence establishes a robust basis for people to execute their responsibilities efficiently. Conversely, extrinsic motivation acts as a catalyst to augment their work passion and commitment. The interplay of these two aspects can enhance employee performance, thus facilitating the attainment of organizational objectives, particularly enhancing healthcare quality at the hospital in Bandung.

The sign ϵ in this regression equation denotes the error term, encompassing additional unmeasured factors influencing employee performance. These may include additional

factors such as organizational culture, leadership, working conditions, work-life balance, and others that potentially affect performance but are excluded from this model. The existence of the error term signifies that the used regression model fails to account for the complete range in employee performance. However, it effectively illustrates the impact of extrinsic motivation and competence.

The results of this regression equation yield significant consequences for administering a hospital in Bandung. Enhancing staff competency should be prioritized due to its substantial effect on performance. This can be accomplished via organized training programs, expert mentorship, and periodic skills evaluations.

Secondly, extrinsic motivation must not be disregarded. Management must guarantee that staff feel appreciated and obtain suitable incentives for their diligence. Offering bonuses, prizes, and enhanced working circumstances can effectively sustain elevated employee motivation.

The regression analysis indicates that extrinsic motivation and competence favorably impact staff performance at the hospital in Bandung. Competence significantly influences outcomes, underscoring the necessity of employee training and development. Management should prioritize enhancing staff competency while simultaneously offering sufficient external motivation to attain optimal performance.

The coefficient of determination (R^2) in this analysis is 72.6%. This number signifies the extent to which the independent factors, extrinsic motivation and competence, elucidate the dependent variable, employee performance. An R^2 of 72.6% indicates that these two variables elucidate 72.6% of the variance in employee performance, and the remaining 27.4% is ascribed to extraneous factors not encompassed by the model employed in this study.

The findings underscore that extrinsic incentives and competence substantially enhance staff performance at the hospital in Bandung. Extrinsic motivation, encompassing incentives like salary, benefits, and rewards, enhances employee performance. Conversely, competence, which includes employees' skills, knowledge, and abilities, significantly impacts the quality and productivity of work.

Consequently, hospital management must prioritize tactics that enhance extrinsic motivation, including equitable reward systems and competence development initiatives

such as training and career advancement, to improve employee performance. This will bolster continuous initiatives to enhance employee performance, given that these two elements affect about seventy-five percent of the variance in their performance.

CONCLUSION

This study concludes that extrinsic motivation and competence substantially affect staff performance at a hospital in Bandung. Both variables are essential in assessing individuals' productivity and contributions to the firm. Extrinsic motivation, encompassing external elements such as remuneration, incentives, and rewards, significantly enhances employee productivity. When employees perceive that the organization emphasizes their efforts and contributions, they are inclined to exert more significant effort and operate more efficiently.

Conversely, employee competency, comprising the abilities, skills, and information they possess, significantly influences performance. Employees with robust competencies are likely to execute duties more efficiently and expeditiously while delivering superior service to patients. This expertise is essential in a hospital setting as it immediately impacts the quality of patient care. Ongoing training and competency development can ensure that staff consistently improve their abilities to the evolving demands and innovations in the healthcare sector.

This study suggests that staff performance at the hospital in Bandung may be affected by factors beyond extrinsic motivation and competence. Consequently, hospital management must prioritize enhancing motivation and competence and consider additional elements, including working circumstances, employee relationships, and staff's psychological and physical well-being. Establishing a supportive work environment that promotes employee development can lead to ongoing enhancement of their performance.

This research demonstrates that integrating extrinsic motivation and competence is essential for optimal performance. The two elements are complementary; motivation provides external incentives for people to perform well, whilst competence supplies the essential abilities for improved work results. A comprehensive management strategy that combines the improvement of motivation and competence will significantly enhance employee performance.

This study's conclusions offer explicit recommendations for managing the hospital in Bandung. They emphasize the necessity of balancing equitable rewards with the enhancement of personnel skills via training and career advancement. These measures will cultivate individuals who are both motivated and better prepared to confront workplace obstacles, thereby enhancing the overall quality of the hospital's services.

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