

## THE ANALYSIS OF PROVIDING INCENTIVES ON ISLAMIC HOLIDAYS IN MICRO, SMALL AND MEDIUM ENTERPRISES: DO EXTRA-ROLE BEHAVIOR MATTER?

Sefia Alike Indriani<sup>1</sup>, Frida Fanani Rohma<sup>2</sup>, Abdul Halim<sup>3</sup>

<sup>1,2</sup>Accounting Department, Universitas Trunojo Madura

<sup>3</sup>Sharia Economics, Universitas Trunojoyo Madura

<sup>1</sup>[200221100236@student.trunojoyo.ac.id](mailto:200221100236@student.trunojoyo.ac.id), <sup>2</sup>[frida.frohma@trunojoyo.ac.id](mailto:frida.frohma@trunojoyo.ac.id),

<sup>3</sup>[210721100138@student.trunojoyo.ac.id](mailto:210721100138@student.trunojoyo.ac.id)

**Abstracts:** *Incentives are considered one of the main factors to encourage individual work motivation. Providing both the monetary amount and the timing of incentives is within the full authority of the business owner without any binding or fixed-time obligations. This research uses a qualitative method involving Micro, Small and Medium Enterprises (MSMEs) that produce garments as the research site. The findings of this research indicate that incentives specifically given on Islamic holidays have a crucial impact on increasing the activation of work motivation, which impacts overall organizational performance to encourage the creation of goal alignment. Providing incentives to Islamic majors is more than just encouraging performance because the monetary incentives given on Islamic holidays are not only interpreted as monetary incentives for rational economic people. Moreover, giving during Islamic holidays is seen as a manifestation of tolerance, which has a more crucial impact on efforts to optimize extra-role behaviour, thereby encouraging increased performance.*

**Keywords:** *Incentives, MSMEs, Performance, Monetary, Extra-Role Behaviour*

## **1. INTRODUCTION**

Incentives can drive employee work motivation to encourage efforts to achieve company goals (Firmansyah & Mutiara, 2023; Kusufi et al., 2020). Providing incentives will make employees realize that the company will appreciate their hard work and dedication to the company and will also impact what they will obtain in the future (Manan et al., 2023; Rohma & Anita, 2024). Not only companies, micro, small and medium enterprises also do this to their employees. Because human resources or labour are the main assets in an organization, special treatment is needed in labour management because labour can influence the organisation's existence in the future (Febrianti & Rohma, 2023). Compensation and incentives have a very close relationship; incentives are a component of compensation, and both are determined to achieve the agency's overall goals and objectives (Huri et al., 2020). One of the compensation goals is to provide fair rewards from the organization's and employees' sides (Sunaryanta et al., 2022; Rohma & Tyastutik, 2023). People work to get paid or rewarded for what they do to earn a living (Sudiantini et al., 2023). Good workforce management will create an optimal working atmosphere to realize workforce productivity in the organization (Rohma, 2022; Rohma et al., 2023). Yuliani & Siregar (2023) explained that employees' performance improves even more when they receive compensation through optimal performance bonuses. Compensation can increase employee job satisfaction and motivation by providing bonuses or incentives in addition to the monthly salary that employees receive and increasing employee salaries that are adjusted to their duties and responsibilities (Suryani & Ningsih, 2019).

The issue of incentives is a very important thing to pay attention to because it is an encouragement for employees to be able to work enthusiastically and actively to improve performance (Cosmas et al., 2021). Several studies show that incentives affect employee performance; for example, research (Thomas, 2022) shows that incentives and work discipline are stated to affect employee performance. Incentives and work discipline support employees to be more motivated at work (Thomas, 2022). Cosmas et al. (2021) also show that giving incentives motivates employees at the Class III Navigation District office, which greatly influences employee performance. Huri et al. (2020) show that financial incentives directly affect the performance of employees or education staff. Material and non-material incentives can improve employee performance because by providing incentives, employees receive special attention so that they are expected to carry out their duties and develop their abilities as much as possible (Firmansyah & Mutiara, 2023).

The phenomena regarding employee work performance that occur require serious handling, and it is necessary to pay attention to the maintenance system at the level of needs and welfare in the process of achieving work targets that have been agreed upon and planned by the company (Sumiatik et al., 2021). Employee performance is the result or overall level of success of a person during a certain period in carrying out tasks compared to various possibilities, such as standard work results, targets or goals or criteria that have been determined in advance and have been mutually agreed upon (Melasari & Lestari, 2019). Performance can be measured by looking at the quality of the work produced and the number of increases achieved by an employee in carrying out their duties per the responsibilities given (Cosmas et al., 2021). Saputri & Rachman (2022) explain that employee performance is often referred to as a very important aspect used to support a company's success. Performance is not an individual characteristic, such as talent or ability, but is a manifestation of the talent or ability itself (Irwanto et al., 2020). Employee performance is influenced by the various personal characteristics of each individual (Suryani & Ningsih, 2019).

Incentives can be given to several activities and events under each organizational goal. Islamic holidays such as Eid al-Fitr, the Prophet's birthday and others are special moments celebrated by everyone who follows the Islamic religion. In celebration of the Big Day, many companies distribute additional incentives to their employees to celebrate special moments on the Big Day. In observations made at an MSME, the author found indications of an increase in employee performance due to the

provision of incentives on Islamic holidays. One employee stated that he was more enthusiastic when working to meet targets and felt guilty when he did not meet targets. Thus, this research seeks to investigate further the impact of providing additional incentives on employee performance on Islamic holidays provided by a business by elaborating on the extra-role behaviour perspective. This research was conducted using qualitative methods. The findings of this research indicate that providing incentives for Islamic events has the potential to encourage employee work motivation so that it impacts achieving performance targets that align with organizational goals. Furthermore, the structure of the discussion in this research is the first part, the introduction, followed by a literature review, methodology, results, and discussion. The last part is the conclusion.

## **2. LITERATURE REVIEW**

### **Extra-role Behavior Theory**

Extra-role behaviour is a set of actions not explained or specified as part of the job or reflected in the organization's official salary system. According to Van et al. (1995), extra-role is behaviour that benefits the company and exceeds existing role expectations. Organizational citizenship behaviour is a term used to identify individual behaviour. In contrast, organizational citizenship behaviour refers to the construct of extra-role behaviour (erb), defined as behaviour that benefits the organization and intends to benefit the organization, which is direct and leads to role expectations. (Aldag & Resckhe, 1997). Extra-role Behavior refers to an employee's voluntary actions beyond their formal job requirements. These behaviours are not explicitly prescribed or required for a particular job, but they contribute to the smooth functioning of the organization as a social system. Extra-role behaviours include helping coworkers with work-related problems, taking orders without complaint, keeping the workplace clean, promoting a work climate that minimizes distractions caused by interpersonal conflict, and conserving organizational resources. Accountability is also closely related to extra-role behaviour. It is a basic element of every organization and exists at various levels. The formal accountability mechanisms adopted by an organization are subject to the interpretation of each organizational actor. This means that individuals facing ostensibly similar formal organizational accountability systems may perceive or experience different levels of accountability. Perceptions of accountability can influence extra-role behaviour, tasks performed by employees that help organizational effectiveness but are not part of their formal job duties (Halln & Ferris, 2011).

### **Incentive**

Incentives are service rewards in the form of money received by employees, which are assessed as part of their employment relationship, so determining incentives really depends on the management policies applied by an institution or organization (Jannah & Jumady, 2020). According to (B. Simamora, 2011), in research by (Thomas Robert Hutauruk, 2022), incentives are compensation that links pay (poy) with productivity, which is related to incentive programs to increase employee productivity to achieve a competitive advantage. According to (Burhauddin Yusuf, 2015: 253) and (Huri et al., 2020), incentives are defined as a form of payment linked to performance and profit sharing for employees due to increased productivity or cost savings. Therefore, incentives can be interpreted as a form of payment that employees receive as employee performance and productivity benefits and as part of employment relations. Huri et al. (2020) divide the types of incentives into two categories. First, material incentives are additional income that can be valued with money given to increase work enthusiasm. Material incentives consist of bonuses, commissions or rewards, profit sharing and deferred compensation—second, non-material incentives.

### 3. RESEARCH METHODS

#### *Types of research*

This research uses qualitative methods as a key instrument; data collection techniques are triangulated (combined), data analysis is inductive/qualitative, and emphasizes meaning rather than generalization. This study uses a qualitative method with a case study approach. The case study approach is a research approach to examine a program, activity, process (Creswell, 2014). Complete information collection using data collection procedures under the specified time. The use of a case study approach in this study aims to obtain in-depth information about the potential application of incentive in micro-enterprises.

#### *Research Site and Informant*

This research site is a micro-enterprise. In this study it is referred to as micro-enterprise X. Informants in this study are owners and employees of micro-enterprises X. The criteria for informants in this study include business owners because they are directly related to the supervision of the production process, compensation, and measurement of sales performance and employee performance. In addition, employees act as informants because they are directly related to the main business activities and are the main object in the performance evaluation process.

#### *Data Collection*

Interviews in this study were conducted with owners and employees in an unstructured manner. The use of unstructured interviews was conducted to obtain more in-depth information about the conditions at the research site. The procedure for collecting data in this study is in accordance with what was conveyed by Creswell (2014), including observation, interviews, and documentation. First, observation is done by observing directly in the field to capture the phenomenon to be studied. Second, the interview was conducted by giving initial questions and then carried out in an unstructured manner. Third, Documentation is done by collecting qualitative documents that complement the use of observation and interview methods in qualitative research, which can be in the form of writing, pictures, and so on.

Creswell (2014) explains that in qualitative research, data collection and analysis must take place simultaneously or simultaneously. Furthermore, Creswell (2014) explains that data analysis is a continuous process throughout the study. Therefore, there are several data analysis efforts carried out in this study, namely data collection based on certain categories, data interpretation processes, data pattern formation, and data synchronization from several sources and then conducting analysis.

### 4. RESULTS AND DISCUSSION

This research involves micro, small and medium enterprises operating in the garment sector in East Java, which in this study are called ABC businesses. The provision of additional incentives to employees by business owners at ABC MSMEs here is in the form of money handed over physically/cash to employees approximately two days before the Islamic Holiday celebrations. Business owners believe that providing incentives should be done to respect employees who have worked according to them, as reflected in the following statement:

*"Yes, if there is a big need for Islamic holidays such as the Prophet's birthday or holidays, we give money for them to celebrate as fellow human beings,"* Informant A

Incentives are also given according to the criteria employees think they deserve. These criteria include work results, work length, and work completion accuracy. If these criteria are met, the incentives given will increase, as stated by informant B.

*'... the amount depends on us too. At that time, after maternity leave, I worked again, but I couldn't make much of a deposit. "We still give money on big days, but the amount is not much."*

Informant B's statement as one of the named employees is in line with similar statements also expressed by two other employees, and this supports Informant B's statement about the number of

incentives he received. The impact resulting from the provision of these incentives, the ABC MSME manager also said that when there were special orders, employees were able to complete them well within the specified time, but did not also disrupt the employee's performance as presented below:

*"Yes, sis, it's quite good for its performance; sometimes I give special orders with a deadline of 2 days to complete, they can complete it. "We also know that the work given will be completed within a certain period, but sometimes they can do it faster than we estimate," Informant A*

This statement is also under the perception of one employee, as shown in the following information:

*"If I don't meet the target, I'm sorry, sis, because on big holidays we usually give money, even if the person has a need, we employees also like to be sent gifts. "So, as much as possible, chase your targets so that you can be given more work. If we get a lot, the salary will also increase, sis, won't we get additional bonuses," Infroman C.*

The statements from the interviewees are under the extra-role behaviour perspective, which refers to employees' voluntary actions that go beyond their formal job requirements. Here, they are willing to work optimally, and even before the deadline, they can complete their work. This activity will be profitable for the business because product turnover will be faster, and you will reap profits more quickly. The findings of this research align with Tyastutik & Rohma (2023), who show that incentives can encourage employee work motivation and positively impact employees. The findings of this research are also in line with Kusufi et al. 's (2020) finding that monetary incentives can encourage individual performance. As rational economic people, individuals will strive to optimize their interests (Rohma, 2022). Incentive encouragement motivates individual performance to optimize personal interests that align with company goals.

## 5. CONCLUSION

The statements from the interviewees are under the extra-role behaviour perspective, which refers to employees' voluntary actions that go beyond their formal job requirements. Here, they are willing to work optimally, and they can complete their work before the deadline. This activity will be profitable for the business because product turnover will be faster, and you will reap profits more quickly. incentives can encourage employee work motivation and positively impact employees. The monetary incentives can encourage individual performance. As rational economic persons, individuals will strive to optimize their interests. Incentive encouragement motivates individual performance to optimize personal interests that align with company goals.

## REFERENCES

- Aldag, R & Resckhe, W. 1997. Employee Value Added: Measuring Discretionary Effort and Its Value to The Organization. [http://docstoc.com/ search/employee-value-added-measuring-discretionary-effort-and-it-is-value-to-the-organization](http://docstoc.com/search/employee-value-added-measuring-discretionary-effort-and-it-is-value-to-the-organization)
- Cosmas, Sangkala, & Hasniati. (2021). Analisis Kinerja Pegawai Ditinjau dari Pelatihan dan Pendidikan dan Pemberian Insentif. *Jurnal Ilmu Ekonomi Dan Sosial*, 12(2), 45–54.
- Cummings, L. L. & Van, L. D., J. Graham & R. M. Dienesch, (1994). Organizational citizenship behavior: construct redefinition, measurement, and validation. *Academy of Management Journal*, 37, 765-802.
- Febrianti, A. V., & Rohma, F. F. (2023). Job relevant information on government managerial performance: the role of affective organizational commitment. *Business Management Analysis Journal (BMAJ)*, 6(2), 109-129.
- Firmansyah, F. B., & Mutiara, N. (2023). Analisis Insentif Terhadap Kinerja Pegawai Tetap dan Pegawai Perjanjian Kurun Waktu Tertentu. *Otonomi*, 23(April).
- Hall, A.T., Ferris, G.R. Accountability and Extra-Role Behavior. *Employ Respons Rights J* 23, 131–144 (2011).

- Huri, A., Hartati, C. S., & Utari, W. (2020). Pengaruh Pemberian Insentif Finansial Dan Nonfinansial Terhadap Kinerja Melalui Kepuasan Kerja Tenaga Kependidikan Di Fakultas Kedokteran Universitas Airlangga Surabaya. *Jurnal Manajerial Bisnis*, 3(2), 106–119. <https://doi.org/10.37504/jmb.v3i2.239>
- Irwanto, T., Susena, K. C., & Tusadiyah, N. (2020). Analisis Kinerja Pegawai Pada Pt. Asuransi Umum Bumiputera Muda 1967 Cabang Bengkulu. *Jurnal Ilmiah Akuntansi, Manajemen Dan Ekonomi Islam (JAM-EKIS)*, 3(1), 45–55. <https://doi.org/10.36085/jam-ekis.v3i1.534>
- Jannah, A. S. R., & Jumady, E. (2020). Efek Pemberian Insentif Dan Komitmen Dalam Upaya Peningkatan Produktivitas Kerja Karyawan Pt Gelael Supermarket Makassar. *Al-Kalam : Jurnal Komunikasi, Bisnis Dan Manajemen*, 7(2), 83. <https://doi.org/10.31602/al-kalam.v7i2.3257>
- Kusufi, M. S., Rohma, F. F., & Muhammad, E. (2020). Pengaruh Horizon Skema Turnamen dan Frekuensi Publikasi Informasi Relatif terhadap Kinerja Karyawan. *Jurnal Kajian Akuntansi*, 4(1), 1-12.
- Manan, L. ode A., Sahyuni, S., Sufrianto, S., & Gusriatni Sari, D. I. (2023). Pengaruh Pemberian Insentif Terhadap Kinerja Karyawan Pada Rumah Produksi Gula Merah Di Desa Tirtamartani Kecamatan Andoolo Utama Kabupaten Konawe Selatan. *Sultra Journal of Economics and Business*, 4(2), 108–120. <https://doi.org/10.54297/sjeb.v4i2.513>
- Melasari, R., & Lestari, N. (2019). Pengaruh Efektivitas Penggunaan Sistem Informasi Akuntansi, Budaya Kerja Dan Insentif Terhadap Kinerja Karyawan Pada Perbankan di Tembilahan. *Jurnal Akuntansi Dan Keuangan*, 8(2).
- Rohma, F. F. (2022). Mitigating The Harmful Effect of Slack: Does Locus of Commitment (Organizational Versus Colleague) Play a Role? *International Journal of Business Science & Applied Management*, 17(3).
- Rohma, F. F., & Anita, N. (2024). The Effect of Prepayment Contract Frames and Feedback on Budgetary Slack: An Experimental Investigation. *Journal of Indonesian Economy and Business*, 39(1), 73-92.
- Rohma, F. F., & Tyastutik, H. (2023). Urgensi Pola Desain Kompensasi Moneter Berbasis Kombinasi Anggaran Dan Piece-Rate Untuk Optimalisasi Kinerja Guru: Studi Pada Institusi Berbasis Yayasan. *Journal of Educational Learning and Innovation (ELIa)*, 3(1), 118-132.
- Rohma, F. F., Shofiyah, I., & Junaedi, A. S. (2023). The Effect of Tournament Horizon, Faultline and Group Performance Relationships under Decentralized System. *Journal of Indonesian Economy and Business*, 38(1), 62-80.
- Saputri, A. N., & Rachman, A. N. (2022). Faktor-Faktor yang Mempengaruhi Kinerja Karyawan PT. Telkom Indonesia Witel Solo. *Jurnal Ilmiah Ekonomi Dan Bisnis*, 15(1), 9–23.
- Sjafitri, H., & Hasan, L. (2019). Analysis Of Compensation And Work Motivation On Employee Performance PT. Astra Daihatsu Padang. *Management Studies and Entrepreneurship Journal*, 3(3), 786–791. <http://journal.yrpiiku.com/index.php/msej>
- Sudiantini, D., Andini, D. F., Khaerunisa, D. K., Putra, D. L., & Armayani, D. P. (2023). Analisa Mengenai Pemberian Kompensasi Terhadap Kinerja Karyawan Di Perusahaan. *SIBATIK JOURNAL: Jurnal Ilmiah Bidang Sosial, Ekonomi, Budaya, Teknologi, Dan Pendidikan*, 2(6), 1673–1682. <https://doi.org/10.54443/sibatik.v2i6.886>
- Sumiatik, S., Sarkum, S., & Ritonga, Z. (2021). Analisis Pengaruh Kompensasi, Motivasi, Lingkungan Kerja, Kepemimpinan Terhadap Kinerja Karyawan Dengan Komitmen Organisasi Sebagai Variabel Intervening. *Jurnal Akuntansi Dan Ekonomika*, 11(2), 213–221. <https://doi.org/10.37859/jae.v11i2.2720>
- Sunaryanta, F. X., Wahyuningrat, & Harsanto, B. T. (2022). Analisis manajemen kompensasi (Studi Pemberian Tambahan Penghasilan Pegawai Negeri Sipil Pemerintah Kabupaten Pemalang). *Public Policy and Management Inquiry*, 6(2), 672–682.
- Suryani, & Ningsih, S. (2019). Pengaruh Kompensasi Finansial Dan Kompensasi Non Finansial Terhadap Kinerja Karyawan Bagian Akuntansi Pada Perbankan Di Tembilahan. *Jurnal Akuntansi Dan Keuangan*, 8(2), 1–13.
- Thomas Robert Hutauruk. (2022). Analisis Korelasi Regresi Hubungan Insentif dan Kedisiplinan Terhadap Kinerja Karyawan Pada PT. Kobelco CMI Samarinda. 8(September), 18–27.

Yuliani, N. I., & Siregar, O. M. (2023). Analisis Gaya Kepemimpinan Dan Pemberian Kompensasi Dalam Meningkatkan Kinerja Karyawan the Clinic Beautylosophy Medan. *Transekonomika: Akuntansi, Bisnis Dan Keuangan*, 3(1), 289–301.  
<https://doi.org/10.55047/transekonomika.v3i1.386>