Compensation, Job Satisfaction And Employee Performance In Health Services

Abdul Haeba Ramli

Master of Management, Trisakti University E-mail: abdul.haeba@trisakti.ac.id

ABSTRACT

The objective of this research is to analyze the compensation, job satisfaction and the employees performance of Rumah Sakit Swasta in Jakarta. Apart from that, the objective is also to analyse the effect of the compensation, on the job satisfaction and its implication to the employees performance of Rumah Sakit Swasta in Jakarta. The research is using the quantitative research. The sample for data collection was taken from 82 employees of Rumah Sakit Swasta in Jakarta through questionnaires. From the research done, it is demonstrated that the compensation has positive effect toward the job satisfaction and employee's performance, and job satisfaction do have a positive implication on the employee's performance of Rumah Sakit Swasta in Jakarta.

Keyword: Compensation; Job Satisfaction; and employee performance.

INTRODUCTION

Health services provided to patients in hospitals have very complex work and organizational characteristics (Indonesia KKR, 2015). Besides consisting of human resources with different professional backgrounds, for example doctors, nurses, pharmacy workers, health workers and other non-health workers who must be able to work together (Risnah, Rosmah, Mustamin, and Sofingi, 2018; Ramli, 2010; Ramli, 2012a). Health workers who work in hospitals must also work with reference to hospital service standards, professional and ethical standards, promote patient safety, respect patient rights and comply with applicable hospital operating procedure standards (Ramli, 2012b; Mulyadi, Fadli, and Ningsih, 2013; Ramli, 2013; Ramli and Sjahruddin, 2015). Hospital employees must also deal with patients with different social, economic, cultural, disease backgrounds (Ramli, 2016a; Ramli, 2016b), excessive employee workloads and the risk of communicable diseases can cause anxiety and work stress on home employees sick (Fahamsyah, 2017; Ramli, 2017a). This will certainly affect the performance of employees which ultimately impact on organizational performance (Mariam and Ramli, 2017; Mariam, 2016; Ramli, 2017b).

LITERATURE REVIEW

Compensation and Job Satisfaction

According to Hasibuan (2017) compensation program (remuneration) must be determined based on the principle of fair and proper as well as taking into account the Law of the Republic of Indonesia Workers in force. The principle of decent and fair must be considered as well as possible with the aim that compensation can stimulate passion and increase job satisfaction (Puteri & Ramli, 2017). Compensation has a very strategic role in a company or organization (Dessler & Gary, 2015). Mangkunegara (2017) is of the opinion that it can be narrated if the compensation given by the company to employees will greatly affect the level of job satisfaction and the achievement of work results or employee performance. The opinions of the two experts are in line with research conducted by Ganesan, Ling and Mun (2017) which proves that compensation has a positive effect on job satisfaction. Setyorini, Yuesti, and Landra (2018) also proved a similar result, namely that compensation had a positive and significant impact on employee job satisfaction at PT. Bank Rakyat Indonesia Tbk., Denpasar City.

Based on these empirical instructions, the following hypotheses are proposed:

H1: Compensation has a negative and significant impact on job satisfaction.

Employee Compensation and Performance

If the compensation the company gives is happy for its employees, then the company is considered to be ignoring the livelihoods of its employees. Because compensation has a positive and significant effect on employee performance (Syahreza, Lumbanraja, Dalimunthe, and Absah (2017)), so the better compensation management from the company for employees, the better the performance of its employees (Grabara, 2013). According to Ramli and Maniagasi (2018) and Ramli and Yudhistira (2018), that the achievement of employee performance is the estuary of all the efforts made by management to make the company always able to survive in business competition.

Research conducted by Rosita (2016), found that by improving employee performance will be able to provide progress for the company and maintain company performance in today's increasingly complex business competition.

Based on these empirical instructions, the following hypotheses are proposed:

H2: Compensation has a positive and significant impact on employee performance.

Job Satisfaction and Employee Performance

Job satisfaction is believed to have a close relationship with many variables. But experts pay attention to different aspects. Colquitt, LePine and Wesson (2017) pay attention to the relationship of job satisfaction on employee performance. Wibowo (2013) argues that job satisfaction is a predictor of performance, this is because job satisfaction has a moderate correlation with employee performance. Referring to the opinion above, the authors conclude the level of job satisfaction will affect the performance of these employees. If employees feel satisfied in working by itself the employee's performance will be high, and vice versa low job satisfaction will automatically reduce employee performance.

Barlian (2016) presents his findings that job satisfaction has a positive and significant impact on employees of the Lung Hospital in Jember Regency. This confirms the results of an investigation conducted by Indrawati (2013), which had a positive and significant effect of job satisfaction on employee performance at Private Hospitals in Denpasar City. Based on these empirical instructions, the following hypotheses are proposed:

H3: *Job satisfaction has a positive and significant impact on employee performance.*

RESEARCH METHODS

To see the impact of compensation on job satisfaction and employee performance on health services, namely Private Hospitals in DKI Jakarta Province, quantitative methods are used. With Structural Equation Modeling (SEM) as a data analysis method that is subjected to hypothesis testing through the use of Partial Least Square (PLS) tools.

The study population is employees at Private Hospitals in Jakarta whose exact numbers have not been ascertained, so the minimum number of samples is five times the number of indicators. Because there are 15 indicators in this study, the number of samples is a minimum of 75. With a total of 82 respondents, they have met the minimum sample limit (Hair, Black, Babin & Anderson, 2010).

Data collection by distributing questionnaires. After the questionnaire is distributed to respondents, then the data quality test is carried out. The validity test results of the Compensation variable instruments are in table 1 below:

In this study, the number of respondents is 82 people or close to 100 people, for that valid or not a statement item used as a reference as follows:

- 1. If the loading factor is \geq 0.60, the statement is Valid
- 2. If the loading factor is < 0.60, the Unvalid statement

Table 1: Compensation Validity Test Results

No.	Statement Item	Factor	Information
1	My salary is equivalent to the work I do	0,857	Valid
2	My salary is above the average employee in a similar company	0,677	Valid
3	My salary is suitable for my job	0,852	Valid
4	I receive other income that is separate from salary	0,673	Valid
5	My salary is competitive, reasonable and has been reviewed	0,685	Valid

6	The company pays enough salary and benefits to motivate employees	0,785	Valid

Source: Data processed using SPSS Version 22 (data attached)

The validity test results of the compensation variables are seen in table 1 above. Of the six statement items and all statements are valid because the factor loading value is greater than 0.60 (Hair, et al. 2010). Thus all statement items in the questionnaire can be used in this study.

Table 2: Job Satisfaction Validity Test Results

No.	Statement Item	Factor	Information
1	I can keep busy at any time	0,653	Valid
2	I have the opportunity to advance in my work	0,714	Valid
3	I had the opportunity to be responsible for determining and planning my work	0,628	Valid
4	I am satisfied with the company policy and its application to employees	0,732	Valid
5	My salary and duties are balanced	0,629	Valid
6	My job security is guaranteed	0,740	Valid

Source: Data processed using SPSS Version 22 (data attached)

The results of the validity test of the job satisfaction variable can be seen in table 2. Of the six statement items tested, all of the statements are valid. Thus all statement items can be used in this study.

Table 3: Employee Performance Validity Test Results

No.	Statement Item	Factor Loading	Information
1	My performance is better than my colleagues with the same qualifications	0,786	Valid
2	I am satisfied with my performance because most of it is very good	0,658	Valid

employees in other companies who have the same qualifications as me	3	My performance is better than	0,812	Valid
have the same qualifications as me		employees in other companies who		
have the same quantications as the		have the same qualifications as me		

Source: Data processed using SPSS (data attached)

The results of the validity test of employee performance variables can be seen in table 16. The test results show that all statements are valid. Therefore all statement items can be used in this study.

Reliability Test

To ensure the consistency of the measuring instrument, whether the results will remain consistent if the measurement is repeated, a reliability test is needed. The questionnaire statement items are not reliable, are not consistent for measurement so the measurement results cannot be trusted. The reliability test that is widely used in research is using Cronbach Alpha. The items included in the reliability test are all valid items. So for invalid items not included analyzed and also the total score is not included. Reliability tests were also carried out on each variable. Reference for decision making for reliability testing using Hair, et al. (2010), as follows:

- a. In the condition of Cronbach's Alpha coefficient \geq 0.6, Cronbach's Alpha can be accepted (construct reliable).
- b. In the condition Cronbach's Alpha < 0.6 then Cronbach's Alpha cannot be accepted (construct unreliable).

Table 4: Reliability Test Results

No.	Variable	Indicator Item	Cronbach's Alpha 0,851	Information
1	Compensation	6	0,812	Reliable
2	Job satisfaction	6	0,734	Reliable
3	Employee performance	3	0,812	Reliable

Source: Data processed using SPSS (data attached)

The results of variable reliability testing can be seen in table 17, where all variables are declared consistent (reliable) because it produces a Cronbach's alpha coefficient of > 0.6.

RESULTS AND DISCUSSION

Testing of the proposed hypothesis is carried out using Structural Equation Modeling (SEM) with the help of PLS software. Hypothesis test decision making is by looking at the results of t-value, where if the value is positive it means that the variable has a positive impact, while to see the significance is by referring to the t-statistic values between variables, if the value of t obtained is greater than t-table of 1.96, meaning that the impact is significant (Hair, et al. 2010). The results of this study, can be seen in the table below:

Table 5: Hypothesis Test Results

Variables	T Statistics (O/STERR)
Compensation -> Job satisfaction	2.6123
Compensation -> Employee performance	2.2280
Job satisfaction -> Employee performance	2.1165

Source: PLS Data Processing Results, 2018

In table 4 shows the results of the impact of one variable on another variable shows a positive value, including:

The Impact of Compensation on Job Satisfaction is positive and significant because the t-value is 2. 6123 which means positive and significant because it is greater than the t-table of 1.96.

The Impact of Compensation on Employee Performance is positive and significant because the t-value is 2.2280, which means negative and significant because it is greater than the t-table of 1.96.

The Impact of Job Satisfaction on Employee Performance is positive and significant because the t-value is 2.1165, which means positive and significant because it is smaller than the t-table of 1.96.

CONCLUSION

The conclusions of this study are formulated based on the results of hypothesis testing, namely:

Compensation has a positive and significant impact on job satisfaction.

This result shows that job satisfaction of employees of private hospitals in Jakarta can increase, if the compensation is improved. Therefore the Hospital management needs to make the compensation package provided remain competitive in the market and as an effort to retain employees with good performance. Compensation given should be given based on performance appraisal and aspects that have an impact on the financial performance of the hospital, thus it is expected that giving good compensation to employees also does not burden the hospital finances.

Compensation has a positive and significant impact on employee performance.

From the results of data processing shows a positive and significant effect of compensation on employee performance. So the company must make increased compensation for employees as the main factor that must be made the most important problem by leaders, because it is proven to have a positive and significant effect on employee performance and job satisfaction. Because high compensation will make job satisfaction and employee performance will increase directly.

Job satisfaction has a positive and significant impact on employee performance.

Only one of the results of this study shows positive and significant results, so the organization or company must make it a top priority, because the results of this research impact shows that if the company pays attention to employee job satisfaction, then companies will be able to obtain employee performance improvement in accordance with the ideals of the organization or company.

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