

THE ROLE OF REMUNERATION IN IMPROVING HOSPITAL PERFORMANCE

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Abstract: The management of the hospital business unit is unique because apart from being a business unit, the hospital business also has a social mission. However, the performance of this hospital is also influenced by the management of the hospital, one of which is remuneration. This study aims to determine the role of remuneration in improving hospital performance. This study uses a literature review research method, while the data collection technique is carried out by exploring journals and other information relevant to the study. The results show that remuneration policies play a role in building a solid work team, supporting business strategies in carrying out the hospital's vision and mission, improving service performance and hospital financial performance, and spurring employee motivation to have a high commitment to work. Fulfill the rights and obligations of employees and hospitals, which has an impact on increasing Hospital performance and income.

Keywords: Remuneration; Performance; Hospital.

INTRODUCTION

The hospital is an institution that provides top healing services according to Minister of Health Regulation number 3 of 2020 where emergency, outpatient, and inpatient assistance is available. The main function of the hospital is to provide health services to medical personnel, while administrative and technical services that are not directly related to health services are provided by non-health workers. The existence of medical personnel and non-medical personnel as workers perform a very fundamental character in hospital organizations and is an integral part of hospital management, which is one of the key variable factors in determining hospital success (Nova, 2010).

Hospital human resources that play a major role in health services are functional medical staff (SMF) which includes general practitioners, specialists, and nurses who have an important role in determining the direction of the quality of health services provided. Doctors and nurses are entitled to income for health services that have been provided to patients (Soetisna et al., 2013). In addition, a qualified workforce is also needed so that workers can play their role as executives who are experts in organizational tasks. This quality covers various aspects of the discipline, knowledge, expertise, dedication, ideas, creativity, and responsibility (Turmidzi, 2019).

Employee performance needs to be given appropriate appreciation so that it can be a motivator for employees to work optimally. According to (Luh & Sayang, 2019), the work of each employee will

increase if balanced with good remuneration and their respective jobs. Remuneration has the meaning of "something" received by employees in return for the contribution they have made to the organization where they work (Nurhayati & Supardi, 2020). Remuneration has a broader meaning than salary, because it includes all forms of rewards, both in the form of money and indirect, and those that are routine or non-routine. Direct rewards consist of salaries/wages, position allowances, special allowances, bonuses that are linked or not associated with work performance and organizational performance, intensive achievement rewards, and various types of assistance provided regularly. Indirect rewards consist of facilities, health, pensions, salaries during disaster compensation leave, and so on (Surya, 2004).

Based on this presentation, researchers are interested in finding out more by conducting a study entitled "The Role of Remuneration in Improving Hospital Performance".

Although there have been several previous studies on the role of remuneration in improving hospital performance, there are still inadequate research gaps, especially in the Indonesian context. Several previous studies were more closed in developed countries, while research in developing countries like Indonesia is still minimal.

Research on the role of remuneration in improving hospital performance is very important given the increasingly tight competition between hospitals in Indonesia. In improving hospital performance, management must consider

remuneration as a key factor in encouraging employee performance and increasing patient satisfaction.

The purpose of this study is to determine the extent of the role of remuneration in improving hospital performance in Indonesia. This research will try to identify remuneration factors that affect employee performance and patient satisfaction levels and explain how these factors can be applied in the context of hospitals in Indonesia.

The results of this study are expected to provide a significant contribution to the development of hospital management in Indonesia. By knowing the remuneration factors that affect employee performance and patient satisfaction levels, hospital management can design an effective and balanced remuneration system. In addition, this research can also be a reference for future researchers who wish to conduct similar research.

This research is relatively new because it focuses on the role of remuneration in improving hospital performance in Indonesia, which is a developing country with different characteristics and challenges compared to developed countries. In addition, this study will also explore remuneration factors that have not been studied much before, such as performance incentives, employee benefits and non-financial benefits.

MATERIALS AND METHODS

This study used the research method of literature review. The literature review research method is a systematic, explicit, and reproducible research method to

identify, evaluate and synthesize research works and thoughts that have been produced by researchers and practitioners (Ulhaq & Rahmayanti, 2020). While data collection techniques are carried out by exploring journals and other information relevant to the study.

In investigating the role of remuneration in improving hospital performance, there are several data collection techniques that can be used. First of all, an employee survey can be conducted to collect employee perceptions about the effect of the remuneration system on hospital performance. Interviews with hospital leaders, financial managers, HR managers and employees can also be conducted to get a deeper picture of the role of remuneration in improving hospital performance.

In addition, analysis of hospital performance data can be carried out by collecting data such as the number of patients served, length of stay, patient waiting time, level of patient satisfaction, and others that can be linked to the remuneration system. Literature studies can also be carried out by collecting literature related to remuneration systems in improving hospital performance, both from journals, books and online sources.

After the data is collected, there are several analysis techniques that can be done. First, correlation analysis can be used to see the relationship between the remuneration system and hospital performance. For example, we can analyze the correlation between employee salary levels and patient satisfaction. Then a regression analysis can be carried out to see how much influence the remuneration

system variables have on hospital performance. In this case, hospital performance variables can be measured using data such as length of stay, patient waiting time, or patient satisfaction levels.

Furthermore, a comparative analysis can be carried out by comparing the performance of the hospital before and after the implementation of the new remuneration system. This can help see whether changes to the remuneration system have a positive impact on hospital performance. Finally, descriptive statistical analysis can be used to summarize remuneration system data and hospital performance in the form of tables, graphs or diagrams. This can help visualize data and make conclusions easier to understand.

RESULTS AND DISCUSSION

Fair and satisfactory compensation is fundamental to the continuity of hospital operations, as all staff in hospitals seek equality in compensation. However, if workers are not happy with the compensation, it can lead to the bad character in the agency and hurt workers' determination, which in essence dampens workers' performance.

This research is in line with the statement of Noe et al. (2014) that remuneration can also motivate employees, and improve employee performance. The findings of this study are also supported by research by Berliana et al. (2018), which concluded that remuneration compensation affects job satisfaction, remuneration compensation, and job satisfaction affects employee performance;

Remuneration compensation has a dominant influence. From the information on indicators representing remuneration variables, it was found that there are three dominant indicators representing remuneration, namely salary, awards, and performance allowances.

Motivation plays an integral role in many of the exciting challenges facing healthcare workers today. Motivation theory classifies motivational sources into those that are intrinsic and those that are extrinsic work. Thus, an exploration of the factors motivating today's healthcare workforce can yield valuable insights into the many challenges facing modern hospitals. Meeting the needs and achieving the goals of both employees and the organization is the cornerstone of job satisfaction and this is especially important for management, as it correlates with improved quality of services provided (Lambrou et al., 2010).

The results of (Mendes et al., 2017) research at Parirenyatwa Hospital show that there is a positive relationship between remuneration and the efficiency of officers' medical services, showing that remuneration is a source of motivation for the efficiency of medical workers at Parirenyatwa Hospital. This is in line with the findings stating that there is a strong relationship between remuneration and the efficiency of medical personnel.

Remuneration

Remuneration means "something" that employees receive in return for contributions they have made to the organization they work for either directly or indirectly. Direct remuneration consists of salaries/wages, position allowances, special

allowances, bonuses related or unrelated to work, performance, and performance of the organization, in sent if as merit awards, and various types of assistance provided periodically. Indirect compensation consists of facilities, health, pension funds, salaries during disaster leave, and so on (Diyanto & Peristiowati, 2022).

The purpose of the remuneration system in general is to attract, retain and motivate quality human resources, and for that human resource management needs to pay attention to the availability and demand of human resources.

In addition to the above, the purpose of the remuneration is to attract, retain and motivate quality human resources, and for that human resource management needs to pay attention to the availability and demand of human resources. If there is an excess of labor supply, the level of compensation provided is relatively low. On the other hand, if there is excess demand, the rate of return is relatively high.

The provision of remuneration is related to the requirements that must be met by employees in the positions they occupy, to create a balance between output and input. The more courageous an institution is to provide high remuneration can be used as a benchmark that the more successful the institution is in building the work performance of its employees because the provision of high remuneration is only possible if the institution has a high enough income and is willing to provide high remuneration in the hope that the institution will be more advanced. Providing better remuneration will encourage employees to work more productively (Diyanto & Peristiowati, 2022).

Performance

Healthcare organizations face major challenges to keep healthcare accessible and affordable. This requires them to change and improve their performance, to do so the organization must improve the performance of its employees.

Performance is the result of work and work behavior that has been achieved in completing the tasks and responsibilities given in a certain period. And leadership, job satisfaction, work motivation, and incentives together have a positive and significant effect on performance.

The results of this study show that competence, training, and motivation partially and simultaneously have a positive and significant effect on employee performance (Rivaldo Yandra, 2022).

The higher and more appropriate competence of employees in working by their fields will be able to improve employee performance

Competency is the capacity that exists in a person that makes the person able to fulfill what is required by the work in an organization so that the organization can achieve the expected results". Employee competence in the field of work will cause the work done to be done faster, and with more quality, thus causing increased performance. If employee competence is more by work, the training provided is more effective and employees have strong motivation, it will significantly improve employee performance therefore employee performance is an important factor that must be considered by companies to be able to thrive in fierce competition and uncertain conditions (Pratama & Riana, 2022).

Another thing that can affect performance is compensation, remuneration, and job satisfaction, including career development (Roza et al., 2022).

Hospital

Hospitals by Minister of Health Regulation No. 3 of 2020 are health service institutions that provide plenary health services that provide inpatient, outpatient, and emergency services whose services are provided by doctors, nurses, and other health experts.

Hospitals established by the Central Government and Regional Governments must be in the form of Technical Implementation Units from Agencies in charge of the health sector, or certain Agencies with the management of Public Service Agencies or Regional Public Service Agencies by the provisions of laws and regulations.

Health services provided by public hospitals consist of at least the following:

- a. medical services and medical support;
- b. nursing and midwifery services; and
- c. Nonmedical Services.

Human resources at public hospitals in the form of permanent personnel include:

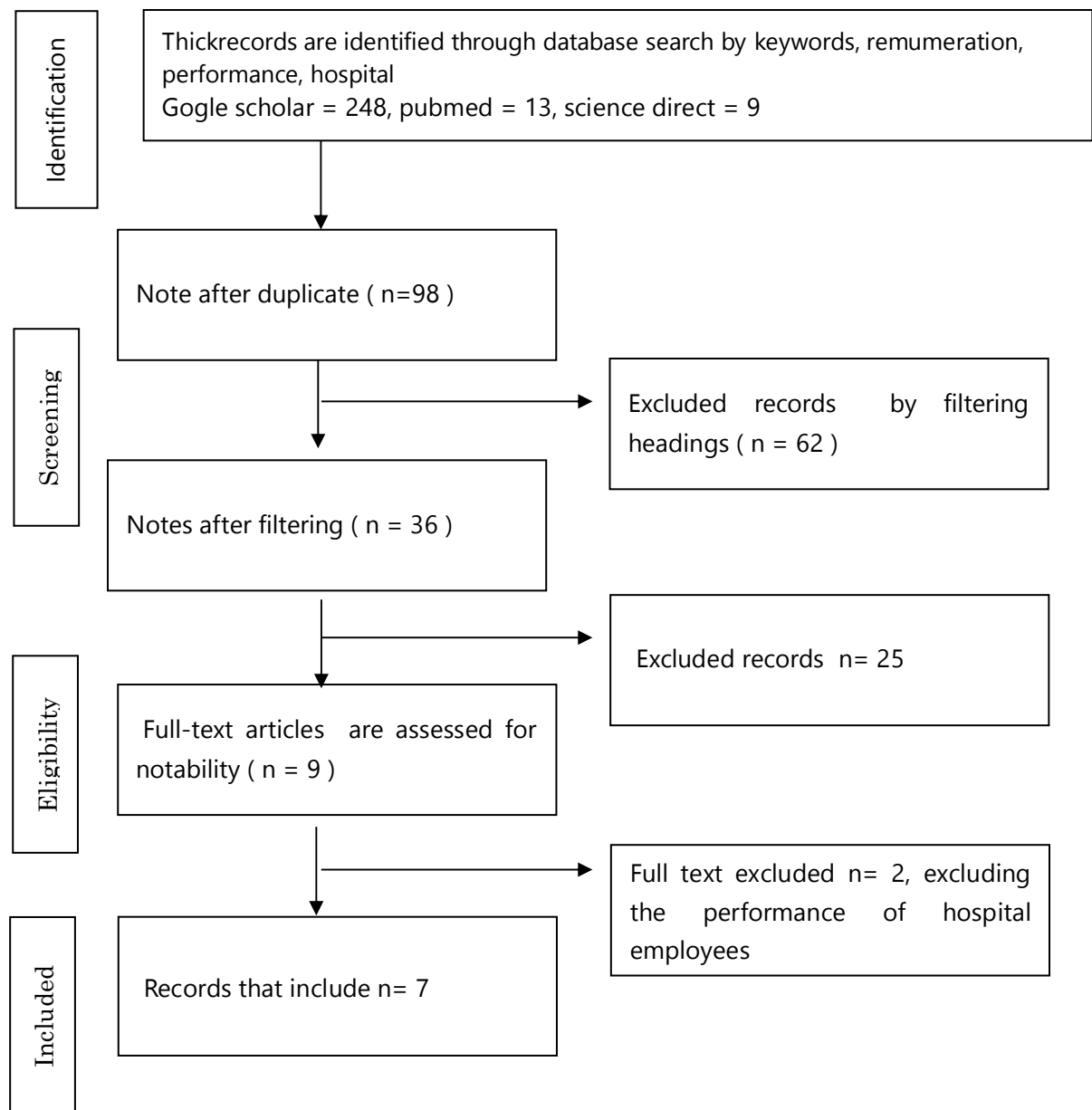
- a. medical personnel;
- b. clinical psychology personnel;
- c. nursing personnel;
- d. midwifery personnel;
- e. pharmaceutical personnel;
- f. public health workers;
- g. environmental health workers;

- h. nutritional labor;
- i. physical therapy personnel;
- j. medical technicians;
- k. biomedical engineering personnel;
- l. other health workers; and
- m. non-health personnel.

The followings are the duties and functions of the hospital:

- Implementation of treatment and health recovery services by hospital service standards.
- Maintenance and improvement of individual health through complete second and third-level health services according to medical needs; appropriate
- Implementation of education and training of human resources to increase the ability to provide health services; and
- Implementation of research and development and screening of technology in the health sector in the context of improving health services by taking into account the ethics of science in the health sector.

Public hospitals are usually facilities that are easily found in a country, with very large inpatient capacity for intensive or long-term care. This type of hospital is also equipped with surgical facilities, delivery rooms, intensive care rooms, radiology, laboratories, and so on. But the completeness of this facility may vary according to the ability of the organizer



CONCLUSIONS

Fulfilling the rights and obligations of employees In a study on remuneration, it was found that improvements to the remuneration system positively impacted nurse performance and the quality of subsequent health services.

Remuneration received by employees must be equivalent to what is given by

employees to the organization, internal equity or internal justice in the sense of fairness between the weight of work and the rewards received, and external equality or external justice in the sense of fairness of rewards received by employees in their organization compared to other organizations that have equality.

Hospitals must utilize remuneration strategies to improve health services, save costs, and improve organizational

performance.

The remuneration system in the DKI local government uses a partial remuneration system because for civil servants the remuneration is still borne by the APBD, the components that are still borne by the APBD are salaries and some kindergartens.

Remuneration is seen as an instrument of behavioral control or a learning mechanism. With the provision of remuneration, it is expected to control or change employee behavior in service to customers and make employees learn to improve service to customers to become loyal customers.

The determination of the incentive system should indeed be left to the hospital. This makes employees more motivated to be more involved in the system and more motivated to innovate so that it has more value which is important for the hospital.

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