Remuneration to improve employee performance at waled regional hospital, Cirebon regency

Ipik Permana (a) Haryo Bharoto (b)

(a,b) Universitas Swadaya Gumng Jati, Cirebon, Indonesia

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ABSTRACT

Remuneration is a government policy that aims to improve employee welfare and improve employee performance. Through allowances in the form of remuneration, it is hoped that it can encourage more fun and can improve employee performance. However, even in agencies that already have remuneration, in reality there are still dissatisfied employees. This study used a qualitative research design, with an inductive descriptive approach. The results of the study say that remuneration is closely related to performance, so the better the wage system, the better the employee’s performance. However, it turns out that providing good remuneration does not necessarily result in good performance. Employee performance, in terms of service quality has been considered quite good, the speed, ability and initiative of employees are not considered maximal.

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Introduction

The era of globalization brought various changes (Sutoro, 2019) Human resources in the organization plays a very strategic and decisive (Baba, 2015). The compensation system in public organizations has organization with private organizations. Even in organizational, there is also a differentiation of the compensation system, that is between certain organizational units and others. In the context of public organizations, the compensation system used in Indonesia still adheres to the traditional system. Determination of salaries, bonuses, remuneration, allowances and various other incentives is still determined by rank, class and seniority. The strength of the determination of rank, class and seniority in providing compensation in the civil servant environment can be seen from the Government Regulation which regulates the issue of civil servant salaries and benefits. However, the Government Regulation neglects to consider the abilities, performance and skills of a civil servant (Yudiatmaja, 2011: 40).

A study by Widyastuti (2010: 24) states that in the New Public Management (NPM) the remuneration system can be a consequence, a condition that motivates employees. However, a remuneration system that is not based on fair performance, both individuals and organizations, can cause jealousy. Performance measurement patterns are the main requirement for fair remuneration.

According to Yudiatmaja (2011), in a study of state administration, the performance-based compensation system (performance related pay) includes the main ideas of the NPM stream. One of the principles of NPM is a network of contracts linking incentives to performance. From an NPM perspective, the compensation system must be based on performance considerations. This means that the compensation paid by the organization is determined based on the level of output achieved by employees of Law Number 43 of 1999 Article 7.

The current payroll system in Indonesia according to Law Number 43 of 1999 in conjunction with Government Regulation Number 6 of 2000 is that employees of the same rank are given the same salary plus allowances for employees who carry out certain jobs that are continuous in nature and require concentration of attention and exertion.
The composition is basic salary plus allowances and less legal deductions. Central civil servant salaries are borne by the state budget and state financial factors still dominate the determination of civil servant income. Fair and proper salary means that the civil servant salary must be able to meet the needs of their family, so that the civil servant concerned can focus their attention, mind and energy only on carrying out the tasks entrusted to them. Fair aims to prevent welfare disparities and proper aims to ensure the fulfillment of basic needs and can encourage employee performance improvement.

Research conducted by the Center for Apparatus Performance Assessment of State Administration Institutions in 2008 with the title Civil Servant Payroll System in Indonesia is focused on producing a better civil servant payroll system. In the sense of bias in appreciating what employees have and what employees contribute to their organizational units. In this research, various problems exist in the current Civil Servant payroll system. These problems include: 1) related to the nominal value or amount of salary of civil servants received every month which tends to say that it is still insufficient, so the amount needs to be increased; 2) In relation to the prepaid payment system, it is considered that it does not motivate the performance of civil servants because they are paid first and then work.

Remuneration is a government policy that aims to improve employee welfare and improve employee performance. The existence of employee perceptions of remuneration that has become a government policy, of course, can increase employee satisfaction in carrying out their duties, because no matter how much additional income received by employees is something that is expected to meet the needs of employees' life. Remuneration is the provision of beneficial rewards, meaning that remuneration is part of compensation. Through allowances in the form of remuneration, it is hoped that it can encourage more fun and can improve employee performance. However, even in agencies that already have remuneration, in reality there are still dissatisfied employees.

Waled Regional General Hospital is a regional hospital that has received awards including being the first best Hospital for Mother and Baby at the West Java Province level from the Indonesian Ministry of Health and the Minister for Women's Empowerment and Child Protection of the Republic of Indonesia. Waled Regional General Hospital opens counseling cooperation in the field of civil law and others with the Prosecutor's Office. In fact, in order to improve the professionalism of the doctor's profession, Waled Hospital is collaborating with the Gunungjati Swadaya University (Unswagati) Cirebon. In addition, in 2017 Waled Hospital has graduated with the title of Plenary accreditation for the 2012 KARS Version Hospital accreditation.

Based on the achievements that have been received by the Waled Hospital, however, the BOR (Bed Occupation Rate) value at Waled Hospital has only reached 63.42%. From this, it can be seen that the public's trust in Waled Hospital is still lacking, it could be because the quality of service is not good.

Based on these data and facts, the researcher is interested in conducting research on Remuneration to Improve Employee Performance at the Waled Regional General Hospital, Cirebon Regency.

**Literature Review**

Employee management which is a human capital determines the success of an organization in facing increasingly competitive business competition (Hacioglu, 2019), so that it can be achieved, it is necessary to optimize job performance (Anggraini, 2018).

Performance indicates anything performed by employees, which may be in the forms of their task completion effectiveness, cooperation relationship with other parties, quality and quantity of their job output, and their attendance at work (Martono, 2018; Mendes et al., 2017).

The employees’ work performance should be evaluated continuously in the attempt of maintaining and improving organizational performance (Sardjana, 2018; Yang, 2016; Conyon & Sadler, et al., 2010). Remuneration is a part of reward received employees as a result of their task in the organization, including gifts, awards or promotions (Ismail, 2019; Kulich et al., 2011). According to Robbin (2012) there are 3 remuneration concepts commonly referred to as 3P, such as: 1. *position*, that is the provision of remuneration based on the position occupied by the position. In other words, the remuneration given is the same for each position of the same level. 2. *people* is the provision of remuneration to people who have special skills or education in accordance with their work. 3. *performance* is the provision of remuneration given to employees based on the quality of their performance. This means that this allowance is only given to employees who have high performance (quality) or according to predetermined expectations.

Davis et al (2003) noticed that the idea of "remuneration” was changing as per the changing states of work. The term “remuneration” means compensation or pay (Ramat, 2020)

The basic principles of an effective remuneration system include the principle of individual equity or individual justice, in the sense that what is received by employees must be equal to what is given by the employee to the organization, internal equity or internal justice in the sense that there is fairness between the weight of the work and the benefits received, and external equity or external justice in the sense of fairness of rewards received by employees in the organization compared to other organizations that have equality.

According to Surya (2004), the remuneration or wage system in hospitals generally consists of three types, such as:
1. Basic Salary that is in the form of a monthly salary which is a fixed cost, which does not depend on the product produced, whether the size of the product or the product does not affect the amount of costs incurred. The basis for determining the basic salary is: rank, class, education level, length of work, position and so on. The purpose of basic salary is for safety, meaning that it is limited to meeting the basic needs of an employee.

2. Incentives are additional income for employees who are highly dependent on the products produced, the bigger the product the greater the incentive. The basis used varies, for example, based on employee performance, or based on employee position. In general, in hospitals, specialist doctors are based on how much the cost of medical services is attached to the medical service rates. Meanwhile, paramedics and structural personnel are based on indexing or scoring. The goal is to stimulate employee performance and motivation.

3. Merit Is an award from the organization for outstanding employees, usually given at the end of the year, or an award to all employees in the form of THR. The basis is profit margin. the goal is to reward employees who excel or employee welfare (reward).

Remuneration has a very important function in the process of managing human resources in a hospital (Gile et al., 2018; McDermott & Keating, 2011). This shows that remuneration is a tool to bind a company to its employees and a pull factor for prospective employees, as well as a driving factor for someone to become an employee. In addition, remuneration has a very strategic function in smoothing the running of the organization going forward. Artoyo (2011) states that the remuneration function is:

a. Use of human resources effectively and efficiently. The application of a remuneration system in a hospital is expected to be able to encourage effective and efficient management of human resources in accordance with the standards set by the hospital.

b. Encouraging stability and performance growth. A good remuneration system will automatically boost employee performance so that the hospital's performance will automatically increase significantly.

c. The creation of harmonious cooperation and providing satisfaction to all parties. Based on the foregoing, one of the remuneration functions is to promote stability and performance growth. A good remuneration system will automatically boost employee performance so that the hospital's performance will automatically increase significantly.

Padia & Callaghan (2020; Harymawan et al., 2020) emphasized the important role of remuneration in increasing company performance. In addition, Lemma et al. (2020) also found in South Africa companies, and Akter et al. (2020) in Bangladesh companies, that remuneration does not have significant influence on company financial performance. A number of literatures provide different findings regarding the influence of remuneration. The influence of remuneration depends on the condition of the company and employees itself (Akinwale & George, 2020; Padia & Callaghan, 2020; Oloke et al., 2017; Gaki, et al., 2013; Choi et al., 2012). Akter et al. (2020) stated several variables that can influence the relationship between remuneration and performance, namely company age, company size, leverage, and company efficiency.

In implementing the remuneration system, the basic objectives for the hospital and employees must be considered. Therefore, the management system must be made as good as possible. Hasibuan (2012; Main et al., 1996) states that the objectives of remuneration are: as a cooperation bond, job satisfaction, effective procurement, motivation, employee stability, discipline, the influence of labor unions and the influence of government regulations. Basically, remuneration should provide satisfaction to all parties, such as employees, entrepreneurs, companies, communities and government.

According to Notoatmodjo (2009; Oloke et al., 2017; Main et al., 1996) the goals that must be achieved in providing remuneration are:

a. Appreciate work performance

In implementing the remuneration system in hospitals, it is hoped that it will be able to encourage employee performance. The better the employee's performance, the greater the amount of remuneration that will be obtained.

b. Guarantee justice

A good remuneration system is able to guarantee a sense of justice from the two elements, that is the hospital and employees. Each employee will receive a remuneration amount in accordance with their duties, positions, powers, functions and work performance. It can be interpreted that the remuneration given is in accordance with the work results or work performance of the employees given to the hospital.

c. Retaining employees

Implementing a good remuneration system will encourage employee commitment to be more loyal to the hospital. Thus employees feel at home and survive working in the hospital.

d. Obtaining quality employees
Providing good remuneration will attract more prospective employees. Thus, employee selection becomes more competitive and can increase the competitiveness of a hospital.

e. Cost control & revenue increase

The application of a good remuneration system will improve employee performance, increase income and be more effective and efficient in financial control.

f. Meet the rules

Companies are also required to comply with government regulations relating to employees and compensation. Among them are the Regency Minimum Wage (UMK), Overtime Provisions, Labor Social Security (Jamsostek), Labor Insurance (Asteck) and other facilities.

The remuneration system that applies to the Waled Regional Hospital will be analyzed by referring to indicators of salary, allowances, incentives, bonuses and benefits in the form of health benefits and pension funds.

Research and Methodology

This study used a qualitative research design, with an inductive descriptive approach. This research is focused on Providing Remuneration and Employee Motivation in Improving Employee Performance at Waled Hospital, Cirebon Regency. This study is to analyze the provision of remuneration in an effort to improve the performance of employees at Waled Hospital, Cirebon Regency.

informants who were used as sources in this study: Main informants, Director of Waled Regional Hospital, Deputy Director of General Affairs and Finance, Deputy Director of Services. Supporting informants, Staff of the General Subdivision and Finance Section, Head of the Room, Staff at Waled Regional Hospital, Cirebon Regency. The data that has been obtained is carried out by triangulation while the methods used in this triangulation are as follows: 1. Comparing data from field observations and data from interviews with informants. 2. Comparing what people say in public with what people say in private. 3. Comparing what people say about the research situation with what is said over time.

Result and Discussion

Several informants explained that remuneration is employee benefits which can be in the form of salary, honorarium, fixed allowances, incentives, bonuses or achievements, severance pay and / or pension every month based on the level of responsibility and professional demands of each.

The results of interviews with financial staff informants at Waled Hospital stated that: "Perhaps what I know of remuneration is the wage system regulates salaries, incentives and other bonuses. What I hope is that remuneration can be adjusted according to the performance appraisal of each individual, such as according to workload, discipline, attendance, accuracy in achieving work targets."

Meanwhile, the results of an interview with the Deputy Director of General Affairs and Finance at Waled Hospital (Mr. Eman Herman) argued: "Remuneration is closely related to work motivation, so the better the wage system, the more motivated the employee will be and the employee's performance will also increase". (Tuesday, June 18, 2019)

Based on an interview with the Director of Waled Hospital, Cirebon Regency that: "The remuneration policy must comply with government regulations. Indeed, at this time the Regional Hospital wants to make adjustments according to performance, but it cannot be fully implemented because only a few parts have been completed, but management still tries to formulate more detailed provisions as soon as possible. (Tuesday, June 18, 2019)

Salaries are fixed and are given in a definite amount as long as there is an employment relationship, then the salary can be received by employees who are permanent employees based on monthly calculations.

Based on the results of interviews with the Director of Waled Hospital, Cirebon Regency, that is: "Salary is a form of reward that must be received by employees for doing the job. In fulfilling needs, an employee needs a salary at work. Salary is the main thing that must be given to employees both Civil Servant (PNS) and Non Civil Servant (Non PNS) as a form of compensation for services aimed at increasing morale and is routinely given every month by Waled Hospital, Cirebon Regency. (Tuesday, June 18, 2019)

The results of interviews on Tuesday, June 25, 2019 with staff from the general department revealed that: "To dedicate salaries to us, the employees of the Waled Hospital are always given each month".

The results of the interview with the Director of RSUD Waled said that: "This incentive is a form of compensation in the form of money given based on the addition of quality / work performance in a series of main tasks. The forms of compensation received are in the form of additional overtime work, official travel expenses. Our incentives are always given to employees, from contract workers to civil servants as well as officials at Waled Hospital in order to improve employee performance ". (Tuesday, June 18, 2019)
Incentives can only be given to workers if they are able to carry out additional tasks and are eligible for incentives. The results of an interview with one of the heads of rooms at Waled Hospital, said that: "The provision of incentives has been carried out in accordance with existing regulations, it is hoped that it can improve the performance of employees from all lines". (Monday, June 24, 2019)

Benefits are more of an indirect or additional reward, either in cash or non-financial. Included in the benefit category are service and comfort. Based on the results of interviews with general staff at Waled Hospital, Cirebon Regency that: "For the employees themselves, the facilities provided are quite adequate. With the support from management and security at work, a sense of comfort arises. Even if there are some that cannot be given, we quite understand maybe because there are some good considerations that have not reached our proposals. There are several obstacles for us with services related to the availability of specialist doctors in several polyclinics ". (Wednesday, June 26, 2019)

The results of the interview with the Director of Waled Hospital, Cirebon District, revealed that: "In terms of benefits at Waled Hospital, this could be in the form of Service Travel Order Letter (SPPD) on an official trip, there is an employee shuttle car intended to take the afternoon shift home and take the night shift, especially from the direction of Waled Hospital to Cirebon, and vice versa". (Tuesday, June 18, 2019)

Based on the results of an interview with the Deputy Director General & Finance, Waled Hospital, Cirebon Regency that: "Waled Regional Hospital uses bonuses to improve employee performance, with the bonuses given, employees will be motivated to show their abilities at work. Bonuses are given as additional money given to employees because of their achievements in the form of tidiness, cleanliness, and accuracy in providing services and overtime. A new form of bonus can be given in the form of a tour that is carried out in stages, of course, because we are a service agency so that we cannot simultaneously dispatch. Moreover, after hard work we have achieved full accreditation and in the future we are preparing for SNARS accreditation ". (Tuesday, June 18, 2019)

Bonuses are rewards received by employees from employers for achieving performance that exceeds the stipulated results or time. In practice, bonuses can be in the form of cash, pilgrimage, Umrah, domestic / foreign tours, 13 or 14 month salaries and soft loans or loans. The results of interviews with staff of Waled Hospital, Cirebon Regency revealed that: "There is a bonus, given if the employee works overtime in the form of food and drink money and what is most awaited is a picnic / tour". (Wednesday, June 26, 2019)

Remuneration in the form of allowances is given to employees to appreciate the performance given as the result of an interview with the Director of Waled Hospital as follows: "Allowances are another form of remuneration given to employees in relation to the given performance. There are 3 types of allowances provided, such as structural allowances, functional allowances and family allowances. Structural allowances are given to employees who hold structural positions in the current year. The functional allowance is given to those assigned to functional positions. Meanwhile, the family allowance is adjusted to the position of civil servants themselves who are married / married and their children, which of course is in accordance with existing regulations. (Tuesday, June 18, 2019)

Furthermore, the Director of Waled Regional Hospital stated that: "if the allowance can meet the daily life of the employee, it is relative, because all employees have different burdens and responsibilities. So it depends on how we respond to it all ". Based on this, remuneration is closely related to performance, so the better the wage system, the better the employee's performance.

**Conclusions**

The ongoing activities have not implemented a good Standard Operational Prosudure, so that information on remuneration and benefits and other performance results is not well understood, this has an effect on performance in the field, employees only carry out normative work and do not have more motivation in improving performance in the field. The thing that should be done is to make information about SOPs and provide workshops so that they can revisit the vision and mission of the hospital so that employees can return to the path that is cooled by the company.

This study proposes a solution to enhance company performance, namely through giving allowances in the form of remuneration. The findings of this study indicate that the management of the company is still not optimal in applying the Standard Operating Procedures (SOP) regarding remuneration and allowances for employees. This condition may cause a less optimal performance from the employees. Therefore, the management of the company must improve the implementation of remuneration and provide allowances for employees to boost their motivation at work. The management also needs to improve more intense communication with clear SOP between the management and the employees, especially regarding remuneration to motivate employees. Finally, the management of the hospital should provide training for employees so they can know more about the vision and mission of the hospital.

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