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The Influence of Indirect Services and Benefits to Employee Performance in General Hospital of Panembahan Senopati Bantul District, Indonesia

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Abstract:

Local government hospitals that have become BLUD may collect fees to the community in exchange for goods/services provided. Rewards for the goods/services provided are stipulated in the tariff of each type of service and class of care. This study was conducted to determine the effect of indirect services and benefits on employee performance at General Hospital Panembahan Senopati Bantul. This research was descriptive quantitative research with correlational research design. Population used in this research was all employees of RSUD Panembahan Senopati Bantul as number of 837 people. The sample of this research was 89 people with sampling technique namely purposive sampling. Data analysis used regression analysis. The result of research indicate that indirect service have positive and significant effect to employee performance. Benefits have a positive and significant effect on employee performance. Indirect services and benefits have a positive and significant effect on employee performance in General Hospital of Panembahan Senopati Bantul. The amount of indirect service and benefit contribution is 75.1%.

Keywords: *Indirect services, employee benefits and performance*

1. Background

Health is a vital component for every individual because health affects various sectors of life. Health is a mutual responsibility of every individual, family, community, government and private. The Government of the Republic of Indonesia has established a National Social Security System (SJSN) for all Indonesians to be guaranteed by health insurance so as to improve public health status

General Hospital of Panembahan Senopati Bantul is a B-grade education hospital that has implemented KDP-BLUD on July 21, 2009 (Bantul Regent's Decree Number 22 Year 2009 on Pattern Application of Financial Management of Regional Public Service Agency). Local government hospitals that have become BLUDs may collect fees to the community in exchange for goods/services provided.

Employees are one of the most important elements of an organization in this case is hospital in creating sustainability and success of achieving its vision and mission and goals. If employee performance is low, then hospital performance will also decrease. Vice versa, if employee performance is high it will provide maximum results in the achievement of hospital goals (Febriyanti and Faslah, 2013).

Organizations in an effort to ensure employee performance, need to consider various ways to appreciate appropriate employees to get the desired results. A willingness of employees to remain in an organization depends on compensation offered (Osibanjo, et al., 2014). Employees with dedication of their manpower, time, knowledge, and skills in their workplace, would expect a compensation, remuneration or other benefits.

According to Sanjani, et al. (2014), remuneration of medical services is a measurement of money received by medical personnel as compensation for performance relating to risks and professional responsibilities of his work. Olobusayo, et al., (2014) suggests that remuneration system will determine level of employee commitment and performance in work. Employees must be motivated through benefits that will always encourage employees to be proactive and have right attitude in working, so that ultimately can improve performance. Hameed, et al. (2014) defines compensation as output and benefits employees received in form of salaries, wages, or other rewards such as exchange of rewards for improving employee performance.

Based on the above description, the researcher was interested to examine indirect services and benefits in terms of its effect on employee performance.

2. Research Methods

This research was a quantitative research. Population in this research was all employees of Panembahan Senopati General Hospital Bantul. Sampling technique used Non-probability sampling with purposive sampling method and got minimum sample amount as number of 89 people.

3. Research Result

3.1. Description of Respondents

Description of respondents obtained the picture as presented in Table 1.

| No | Characteristics of Respondents | F | % |
|----|--------------------------------|----|-------|
| 1. | Gender | | |
| | a. Male | 16 | 18,0 |
| | b. Female | 73 | 82,0 |
| 2. | Education | | |
| | a. SMU | 17 | 19,1 |
| | b. D3 | 54 | 60,7 |
| | c. S1 | 18 | 20,2 |
| 3. | Marital Status | | |
| | a. Married | 66 | 74,2 |
| | b. Unmarried | 23 | 25,8 |
| 4. | Length of work | | |
| | a. < 5 years | 49 | 55,1 |
| | b. 5 – 10 years | 25 | 28,1 |
| | c. > 10 years | 15 | 16,8 |
| | Total | 89 | 100,0 |

Table 1

Based on the table above, majority of the respondents with female gender are 73 (82.0%) people and with male gender are 16 (18.0%) people. Education of the respondents are with D3 are 54 (60.7%) people and 17 people (19.1%) educated high school. Mostly the respondents with married status are 66 (74.2%) and unmarried are 23 (25.8%) people. Majority of the respondents with a working period of less than 5 years are 49 (55.1%) people and more than 10 years are 15 (16.9%) people. This indicates that majority of the female respondents, with D3 education, marital status and working period of less than 5 years.

3.2. Descriptive Research Variables

3.2.1. Indirect Services (X1)

Variable Frequency Distribution of Indirect Service can be seen table 2 below:

| No | Category | (f) | (%) |
|----|-----------|-----|------|
| 1 | Very high | 4 | 4,5 |
| 2 | High | 65 | 73,0 |
| 3 | Medium | 19 | 21,3 |
| 4 | Low | 1 | 1,1 |
| 5 | Very low | 0 | 0 |
| | total | 89 | 100 |

Table 2: Frequency Distribution Result of Indirect Service

Source: Primary Data Processed, 2018

Of the 89 respondents, indirect services are mostly in the high category by 65 respondents (73.0%), medium category by 19% (21.3%), very high category by 4 respondents (4.5%) and low category by 1 respondent (1.1%).

3.2.2. Benefits (X2)

Variable frequency distribution of benefits can be seen in table 3 below:

| No | Category | (f) | (%) |
|-------|-----------|-----|------|
| 1 | Very high | 25 | 28,1 |
| 2 | High | 44 | 49,4 |
| 3 | Medium | 14 | 15,7 |
| 4 | Low | 6 | 6,7 |
| 5 | Very low | 0 | 0 |
| total | | 89 | 100 |

*Table 3: Frequency Distribution Result of Benefits
Source: Primary Data Processed, 2018*

Of the 89 respondents, mostly of the benefits is in high category by 44 respondents (49.4%), very high category by 25 respondents (28.1%), medium category by 14 respondents (15.7%) and low category by 6 respondents (6.7%).

3.2.3. Performance (Y)

Frequency distribution for performance variables can be seen in table 4 below:

| No | Category | (f) | (%) |
|-------|-----------|-----|------|
| 1 | Very high | 9 | 10,1 |
| 2 | High | 48 | 53,9 |
| 3 | Medium | 22 | 24,7 |
| 4 | Low | 10 | 11,2 |
| 5 | Very low | 0 | 0 |
| total | | 89 | 100 |

*Table 4: Frequency Distribution Results of Performance
Source: Primary Data Processed, 2018*

Of the 89 respondents, mostly performance is in high category by 48 respondents (53,9%), medium category by 22 respondents (24,7%), low category by 10 respondents (11,2%) and very high category by 9 respondents (10.1%).

4. Results of Data Analysis

4.1. Normality Test

Normality test is conducted to determine whether a sample comes from a population with normal distribution or not. The data is considered to be normal distribution if the significance value (p) greater than 0.05 at significance level $\alpha = 0.05$. Normality test results for each research variable are presented in the following table.

| Variable | KSZ | Sig. | Ket |
|-------------------------|-------|-------|--------|
| Unstandardized Residual | 0,669 | 0,761 | Normal |

*Table 5: Summary Of Test Normality
Source: Primary Data Processed, 2018*

Based on table 2 above can be seen that the value Kolmogorov-Smirnov obtained significance value of 0.761 greater than 0.05 so it can be said normal distribution.

4.2. Linearity Test

The purpose of linearity test is to know whether relation between independent and dependent variable is linear or not. The criteria of linearity test are if the value of significance on linearity less than 0.05 and Deviation from linearity more than 0.05 then the relation between independent variable and dependent variable is linear. Linearity test results can be seen in the following table.

| Variables | F | Sig | Info |
|-----------|--------|-------|--------|
| X1 → Y | 28,810 | 0,000 | Linear |
| X2 → Y | 28,949 | 0,000 | Linear |

Table 6: Summary of Linearity Test Results
Source: Primary Data Processed, 2018

Based on Table 4.4 it can be seen that the significance value on Deviation from linearity is greater than 0.05 for indirect service variable (X1) and benefits (X2) to performance (Y), so that it can be stated that regression model between independent variable with dependent variable is linear.

4.3. Multi-Co Linearity Test

Multi-co linearity test aims to test whether in the regression model found a correlation between independent variables. A good model should not have a high correlation between independent variables. Tolerance measures the variability of the selected free variables that cannot be explained by other independent variables. Thus, a low tolerance value is equal to a high VIF value (because $VIF = 1 / \text{tolerance}$) and indicates a high co-linearity. The common cut off value used is the tolerance value of 0.10 or equal to the VIF value above 10. The multi-co linearity test results can be seen in Table 7 as follows:

| Variables | Tolerance | VIF | Info |
|-----------|-----------|-------|----------|
| (X1) | 0,786 | 1,273 | No multi |
| (X2) | 0,786 | 1,273 | No multi |

Table 7: Multi-Co Linearity Test Results
Source: Primary Data Processed 2018

Multi-co linearity test results of each independent variable obtained Tolerance > 0.1 and VIF value <10 values then it can be concluded that no symptoms of multi-co linearity.

4.4. Hypothesis Testing

Results of multiple linear regression analysis can be seen in table 4.6 below:

| Variable | Coefisien | t-count | Sig. |
|----------|-----------|---------|-------|
| (X1) | 0,206 | 1,404 | 0,000 |
| (X2) | 0,845 | 13,240 | 0,000 |

Table 8: Results of Linear Regression Analysis
Source: Data Processed, 2018

Constant = -2,440

Adjusted R2 = 0,751

F Count = 133,991

Sig. = 0,000

The result of t test statistic for indirect service variable (X1) with employee performance (Y) shows positive and significant relation at level 1%, this result indicates that there is influence of indirect service (X1) with employee performance (Y). While for benefits (X2) with employee performance (Y) t-value is 13,240 with significance level 0.000, because significance less than 0,05 ($p < 0,05$) hence indicate that there is influence between benefits (X2) with employee performance (Y).

F test is used to test the significance of the regression model. The purpose of this F test is to prove statistically that the overall regression coefficient of the independent variable indicator used in this analysis is significant. Test results show a positive and significant correlation at the level of 1% level.

The adjusted R²-value of 0.751 indicates that the indirect service variable (X1) and benefits (X2) contribute to the employee performance of 75.1%, while the rest of 25% is explained by other factors not analyzed in this study.

5. Discussion

5.1. Influence of Indirect Service to Employee Performance in RSUD Panembahan Senopati Bantul

Indirect services have a positive and significant effect on employee performance in RSUD Panembahan Senopati Bantul with significant value 1%. According to Nawawi (2011) indirect services are all financial rewards that do not cover direct services. If the system of service sharing is considered to be valuable to employees, it will bring a positive perception of the service delivery system (Nofrinaldi, et al., 2006).

Research conducted Laura (2012) shows that indirect compensation affects employee performance. This means that with the existence of remuneration given to employees in the form of awards will be able to improve employee performance. Indirect services are a reward given to employees to create a company working conditions more fun, and provide a sense of satisfaction to employees so that employees will feel eager to work.

The conformity of employee expectation on indirect services is supported by the highest trend value of 3.83 in the statement "Assignment of tasks based on the measurement index used". The existence of a good and detailed division and determination mechanism will make employees feel fair in terms of work as in accordance with the workload.

In addition to proven by the questionnaire assessment, the benefits that the company has been given, verified by the results of interviews by some employees at Panembahan Senopati Hospital Bantul. Some respondents stated that the mechanism of assignment and assignment was good. As per the following interview quotes:

"The division of tasks is in accordance with the jobdesk".

According to Regent's Regulation no. 22 year 2011 on remuneration system at RSUD Panembahan Senopati Bantul, in conducting the division of indirect service for all employees of medical and non-medical unit, the division use individual index system. Index is a way or device to determine the scale of individual employee scores according to their workload.

The positive influence means that the higher the indirect services provided by the hospital, the higher the level of employee performance in providing services. Hospitals that provide indirect services have an effect on employee satisfaction. Therefore, to improve employee performance, the hospital must improve the quality of indirect services.

5.2. Effect of Benefits on Employee Performance in General Hospital of Panembahan Senopati Bantul

The results of research to determine the effect of benefits on employee performance obtained a significant value of 1% then the benefits have a positive and significant effect on employee performance in Panembahan Senopati Bantul Hospital. This is in accordance with Saleh and Darwis research (2013) which shows that the performance benefits have a significant effect on the positive direction on employee performance.

Mulyadi (2012) defines benefits as compensation given to employees by company because it is considered to have participated well in achieving company goals. Ruky (2002) suggests that the function or purpose is as a supplement (additional) of basic salary.

The result of the research is the highest trend value of 4.06 in the statement "The existence of religious facilities in accordance with the trust reflects the hospital's appreciation of the employees who want to perform the worship". This means that benefits to employees in the form of facilities, especially facilities of worship to make employees increase trust in hospitals in providing services so that employees will provide more effective and efficient service. Tools are resources that can be used to help accomplish goals successfully. Without support facilities, specific job tasks cannot be performed and objectives cannot be completed as they should (Wibowo, 2012). This is in accordance with the results of the interview as follows:

"Facilities are adequate and every employee is trying to realize optimal performance."

Simora in Huda (2015) states that benefits program contribute to organization, at least equal to cost incurred for the program, there are some general principles that should be applied: employee benefits must meet real needs, benefits should be limited to activities where the group is more efficient than the individual, benefits program should be characterized by adequate flexibility to enable adaptation to various employee needs and also if the company wishes to gain appreciation from the provision of employee services, the company must undertake an extensive and planned communication program well.

The result of research stated that there is a positive relationship which shows that the higher the benefits given to the employee, the higher the employee performance level in General Hospital of Panembahan Senopati Bantul.

5.3. Influence of Indirect Services and Benefits to Employee Performance in RSUD Panembahan Senopati Bantul

Indirect services and benefits have a positive and significant impact on employee performance in General Hospital of Panembahan Senopati Bantul with significant value 1%. Indirect services and benefits have an influence contribution of 75.1% while 24.9% is influenced by other factors not examined in this study. This is in accordance with research conducted by James et al (2015) that there is influence between rewards such as bonuses and benefits in improving performance.

Hospital services are closely related to employee performance. According Wibowo (2012) performance is what is done and how do to achieve the results of the work. Meanwhile, according Simanjuntak (2011) performance is the level of achievement of results on the implementation of certain tasks. Campbell defines performance as something that people actually do and can observe, so performance includes actions and behaviors that are relevant to organizational goals.

There are various factors that can affect an employee's performance. Mulyadi (2012) in his research resulted that one of the factors that can affect employee performance is compensation. In addition, research conducted by Boedianto (2012) resulted in the provision of remuneration to employees proven to improve the performance of employees concerned. Based on these studies, the provision of compensation or remuneration based on the performance of each employee can spur employees to further improve its performance in order to get compensation.

Based on the theory and the results of previous research that the performance of employees can be influenced by factors of indirect service and benefits, where to improve employee performance, the hospital is required to improve the indirect services and benefits first in General Hospital of Panembahan Senopati Bantul

6. Conclusion

The results of hypothesis testing of this study, can be concluded generally that Indirect services and benefits significantly affect the performance of employees at General Hospital of Panembahan Senopati Bantul

The effect of indirect services and benefits on employee performance in General Hospital of Panembahan Senopati Bantul can be summed up as follows:

- Services indirectly have a positive and significant effect on employee performance in General Hospital of Panembahan Senopati Bantul.
- Benefits have a positive and significant effect on employee performance in General Hospital of Panembahan Senopati Bantul.
- Indirect services and benefits have a positive and significant effect on employee performance in General Hospital of Panembahan Senopati Bantul. The amount of indirect service contribution and benefits is equal to 75,1% while 24,9% influenced by other factor not examined in this research.

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