

Remuneration Model for Health Workers in A State University Hospital (Case Study at The University of Indonesia Hospital)

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Abstract

A high turn over rate is an indicator for a company to implement a strategy to retain employees. From the literature study, it was found that one of the efforts to retain employees is through compensation strategies. Compensation can be used as an attraction to attract prospective employees with high qualifications and retain high performing employees. The role of state university hospitals (RSPTN) as places for education, research and integrated health services in the fields of medical and/or dental education, continuing education and other health education in a multi-professional manner cannot be separated from the role of existing health workers. This research is to look for components that can be taken into account as remuneration components to obtain a remuneration model for health workers at RSPTN.

Keywords: Remuneration, Health Workers, State University Hospitals

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1. Introduction

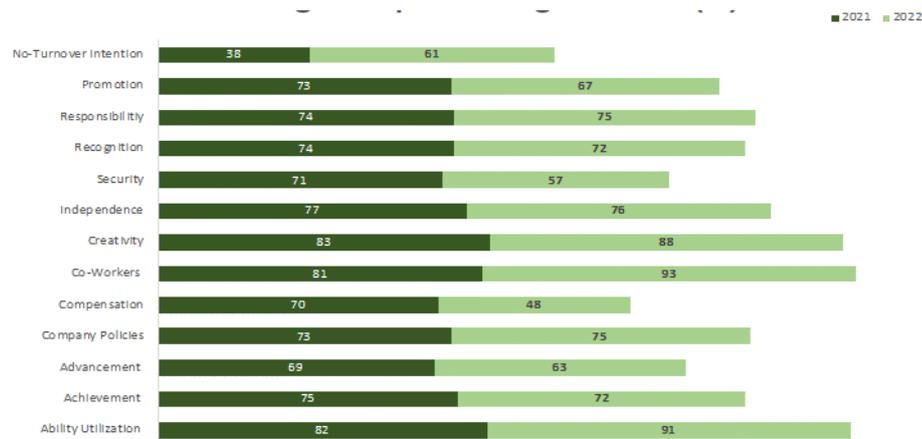
Remuneration is a compensation system that is expected to increase work motivation so that there is an increase in employee performance, especially in public organizations. From previous research, there is a close relationship between compensation and the quality of public services. A good compensation system can motivate employees to improve their performance. McCloy, Campbell and Cuedeck (Milkovich et al., 2014). There are three main factors in employee performance, namely skills, knowledge and motivation, which are then known as employee performance = f(S, K, M).

Compensation or service benefits are designed to maintain and improve employee performance. Compensation becomes more strategic and can be used to influence employees, motivate, and attract potential human resources to join the organization. Compensation is designed to motivate employees to work according to targets or to achieve company goals. Compensation is often used to influence employees in making decisions according to organizational needs. From the literature review, there is an influence of remuneration on employee retention and employee performance. Appropriate remuneration has improved nurse performance and quality of care (Muthmainnah, 2017). There is a positive effect of remuneration on nurses' job satisfaction. Thus, nurses' satisfaction can be increased by increasing their remuneration (Asiamah et al., 2019). Employees can stay in the organization if the remuneration policy aligns with employee expectations Darmawan et al., (2021). Compensation policies can be a tool for retaining employees.

Many factors influence employees' desire to change jobs. Employee turnover is often associated with the level of job satisfaction. Robbins S.P (2012) Employees with high job satisfaction will increase loyalty and productivity. In contrast, employees with low job satisfaction will tend to increase turnover and decrease work discipline and productivity. Work productivity increases if the human resources in the organization have high motivation at work. High performance is an expectation for the entire organization. The following is an employee job satisfaction survey conducted by RSUI in the last two years:

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Data source: RSUI internal data, 2023

Figure 1. Employee Job Satisfaction Levels in 2021 and 2022

The survey results show that satisfaction with compensation has a low value and will even be lowest in 2022, from 70% to 48%. This is quite a significant decrease of 22%. On the one hand, the dimension of not changing jobs increased from 38% to 61%. When related to turnover intention. From data. The expected turnover rate in 2022 will reach 12%. If the company's turnover rate has reached 10%, then that is considered very high (Raja Bambang Sutikno, 2018).

Hutomo & Nawangsari (2020) states that turnover intention is related to the employee's relationship with the company where he works. Job satisfaction has a negative influence and is significantly related to turnover intention. Job satisfaction on salary factors can predict employee absenteeism and turnover levels. There is a negative relationship between salary satisfaction and turnover intention, meaning that job satisfaction has a significant influence on employee turnover. Of the 14 factors, the five highest factors influencing employee retention are compensation, training and development, perception of organizational support and career development.

Observing the retention program turnover data carried out at RSUI and based on pre-research interviews conducted by researchers with the Head of the personnel planning and administration section, it was stated that retention efforts carried out in the short term for employees were by imposing a penalty if the employee did not complete the work contract within the specified time. Apart from that, retention is carried out through education and training programs according to the competencies desired and required by the hospital. What was conveyed by the Head of the HR planning and development section was that employee training and development was considered the main strategy to influence employee retention. Employee retention can be achieved through training and development, as well as job satisfaction, which has a direct and positive impact on employee retention (Elsafty & Oraby, 2022)

Is the retention program carried out at RSUI sufficient for employee training and development? It turned out that from pre-research interviews it was found that even though employees had been included in education and training using the service bond system for a certain time, and there were penalties if the employee resigned before the service bond period ended, it did not make the employee remain at RSUI.

On the one hand, apart from retention efforts carried out through employee training and development, the results of job satisfaction surveys conducted in the last 2 (two) years are areas of improvement that RSUI can develop to carry out HR strategies. If you look at the results of the satisfaction survey, the compensation dimension ranked lowest in 2022. This is in line with research conducted by Caugemi and Claypool (1978) and Eman (2006), who found that the factors that cause dissatisfaction are company policies, supervisors, working conditions and salary. The satisfaction survey conducted at RSUI showed the three lowest values of employee job satisfaction, one of which was compensation and benefits.

Management needs to develop retention strategies for its health workforce, considering employee compensation and job satisfaction as key factors. This means that management must be able to create a total reward structure that includes more than just compensation. Employee compensation and benefits packages should be profitable to attract valuable employees to remain with the organization (Terera & Ngirande, 2014).

Based on pre-research conducted, it was found that RSUI still needs to implement a remuneration system for its health workers. As stated by the head of the personnel planning and administration section, there is no retention program in

terms of remuneration figures. The head of the HR development and welfare section also said that the results of satisfaction surveys conducted in the last two years require the University of Indonesia Hospital to focus more on efforts to improve the compensation scheme.

It is feared that increasing employee turnover and low levels of employee satisfaction will result in a decrease in work motivation for health workers, which could have an impact on reducing hospital performance and services. Efforts are needed to increase employee motivation and job satisfaction, and it is necessary to develop a remuneration system that can be given to health workers. Therefore, this research aims to find What components can be considered in remuneration and what the models are and Remuneration for Health Workers at the University of Indonesia Hospital.

2. Literature Review

2.1. Compensation Management

Compensation management is a problem companies face, with compensation used to attract talented individuals who suit the company's needs. There are various definitions of compensation in various sources. Compensation includes rewards in the form of money (such as salary, wages, commissions, and incentives) and indirect benefits (such as health insurance, vacations, and allowances), as well as non-financial aspects such as company policies, part-time work, and a comfortable work environment (Milkovich et al., 2014). Compensation also includes all forms of financial rewards and measurable services that employees receive in employment relationships (Edi Winata, 2022). This is a financial incentive for current performance and motivation for future performance (Hasibuan, 2010). The basic concept of compensation includes financial rewards (compensation in cash) and benefits and allowances (benefits) received by employees. In general, a compensation system consists of elements such as base salary, benefits, allowances and incentives. The compensation system also involves calculating salaries by considering the salary structure. Compensation includes financial and non-financial aspects, and providing appropriate compensation can create employees who work with focus and dedication in carrying out their duties and responsibilities (Kadarisman, 2011).

2.2. Remuneration

Remuneration has a good influence on the organisation's success, given large compensation to motivate employees to improve their performance (Susanto, 2016). A good remuneration system can improve employee performance (Dessler, 2017). Kadarisman (2011) states that remuneration is a gift, payment or remuneration for services provided. Hidayah (2017) states that remuneration is financial compensation that is proportional to the severity of the task and the size of the risk, where equivalent work is calculated in value and used as a benchmark in determining job grading. Job grading determines job values and job classes. In the Minister of Health Regulation number 625 of 2010 concerning the remuneration system for public service agencies, there are three components, namely:

- a. Pay for position is compensation given based on position, consisting of basic salary and permanent work allowance every month.
- b. Pay for performance is a reward based on the achievement of performance targets that have been set, given according to the achievement and financial capabilities of the hospital.
- c. Pay for people is a reward for individuals because of their specific skills that not everyone has or because of their work experience. These rewards can be in the form of assistance, insurance, service fees, pensions or others.

Four principles of fair and reasonable remuneration, namely: (Dessler, 2017)

- a. External Equity: fairness when compared with similar jobs in other companies.
- b. Internal Equity: compared to other similar jobs within the company.
- c. Individual Equity: fairness based on individual performance for similar work.
- d. Procedural Equity: value or payment following applicable processes and procedures

The reward or remuneration strategy is part of the business strategy.

2.3. Job Evaluation

Michael Armstrong and Helen Murlis (1998) write that job analysis is the process of collecting, analyzing and processing information about positions, which will be used as a basis for compiling job descriptions and role definitions and as data for carrying out job evaluations, performance management and various other HR management objectives.

Collecting data for job analysis can be done through interviews or questionnaires with position holders. Apart from job evaluation, performance management is an important aspect of preparing remuneration. Performance management and remuneration are related to the calculation of compensation based on performance, often referred to as performance-related pay, variable salary or contingent salary. Performance-related pay is intended to reward achievements rather than to determine whether someone has performed inadequately (Poel, 2003). Contingent salary is salary that is linked to individual or team performance, contribution, competency or skills or organizational performance (Michael Armstrong and Helen Murlis, 1998).

3. Methods

A qualitative research approach was used to find a remuneration model for health workers at the University of Indonesia Hospital. Qualitative research is descriptive research and tends to use analysis with an inductive approach. Qualitative research emphasizes the process rather than the final result. The main goal is to develop an understanding of concepts which ultimately become theories (Dr.Rukin, S.Pd, 2021).

The data obtained is data that researchers obtained both from library sources and from direct research objects. Data obtained from research objects can directly be obtained from in-depth interview techniques to obtain information on research problems. In-depth interviews were conducted with key informants, namely the head of the personnel administration section and health workers representing, among others, nurses, pharmacists, and laboratory analysts.

4. Result and Discussions

4.1. General Description of the Compensation Scheme at RSUI

This research has explained the remuneration model for health workers at State University Hospitals (case study at the University of Indonesia Hospital). In this research, researchers found aspects that must be considered in calculating remuneration for health workers, namely service, competency according to grading, performance assessment, workload, educational qualifications, attendance level, length of service, education and teaching load, job risks, and hospital financial capabilities. Strategic steps are needed to implement this remuneration model, namely:

- a. Assess the risk level of the work unit
- b. Conduct annual employee performance appraisals
- c. Ensure that the hospital information system records and documents the health services provided by health workers
- d. Achievements of unit performance assessments are carried out and evaluated periodically
- e. Evaluate the educational criteria for health workers and determine them in the Main Director's decision letter

4.2. Understanding the Concept of Remuneration

From research conducted through in-depth interviews with 8 informants, namely the head of the personnel planning and administration section, the head of the welfare and human resource development section, nurses, pharmacists, and medical laboratory technology experts (ATLM), most of the informants stated that their understanding of remuneration was greater. to providing compensation for the services they provide to patients. This calculation is given outside of the salary they receive. Another informant explained that remuneration is a salary system with components that are determined fairly, taking into account employee performance.

Dakota (2017) wrote in his research, regarding the implementation of remuneration policies in government hospitals, that with the existence of a remuneration system, all professions involved in medical services will receive a fairer appreciation based on performance.

Another informant explained that remuneration is a salary system with components that are determined fairly, taking into account employee performance.

"What I know... ee.. the salary system ee... there are components that are determined so that the salary is felt to be fairer, perhaps reflecting on the previous hospital, so there is a scoring component from individual performance index, unit performance index, there is a risk of being placed in the unit "There are also position criteria, so the salary is systematic and structured." – informant 7-

Previous research regarding remuneration models written by Santoso (2010) that Remuneration is work compensation 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 professionalism demands of each person.

4.3. Remuneration Calculation Components

Remuneration and work motivation are closely related, and many studies have been found that discuss the issue of remuneration and work motivation. According to several informants interviewed, all stated that remuneration would certainly increase motivation. Employee satisfaction is related to the design of a company's compensation system. Two practical suggestions regarding compensation design (Hsin-Hsi Lai, 2011).

- a. Employee expectancy value: employee expectancy refers to the employee's general analysis of the information controlled and the external information obtained. Management of employee expectations means that the company provides a satisfactory explanation of wages, working conditions, etc. and makes efforts to meet reasonable expectations. Companies must guide employees to establish effective expectations that can be met.
- b. Adopt compensation system reforms that encourage internal and external equality: compensation equality does not mean setting average grades according to age, education level and position. Instead it means setting a reasonable salary based on the overall level of the business, company development, overall evaluation of the post and employee, as well as location and overall industry situation.

To obtain a remuneration model, researchers need to dig deeper into the information to obtain what factors can be taken into account in calculating remuneration, namely as follows:

a. Service

Payment for services, also known as fee for service, according to Flodgren, states that fee for service is also effective in changing the clinical behavior of health service professionals, related to prevention, diagnostic and treatment decisions, or both. This financial incentive is a source of extrinsic motivation when someone acts (Tri Wisesa Soetisna, Dumilah Ayuningtyas, 2015). By calculating services, it is easier for health workers to estimate the income they receive, because the number of patients will determine the amount of income they receive. One of the informants' statements regarding the importance of taking service into account is that health workers will be more enthusiastic if there is an increase in patients, unlike now, if there is a surge in patients, it becomes burdensome for health workers.

b. Competency according to grading

Savarianti Fahrani (2011) Job Grading is a formal and systematic process in which similar jobs have an appropriate job grade. Job Grading is used to make it easier to read and group these grades into groups of positions that have adjacent grades that are in one grade. The results of this job grading can be used as a basis for providing salaries/wages according to the position in the grade. The informant stated that there is a grouping of positions by considering the competencies possessed by health workers:

c. Performance assessment

Performance appraisal aims to improve individual and organizational performance in accordance with expected standards. Performance appraisal can be used as a consideration for human resource functions, such as planning, HR, recruitment, training, career development, compensation programs, internal employee relations, and assessing employee potential (R, 2008). The information that researchers got from several informants regarding performance appraisal was that if employees have high performance, the results obtained will be different from employees who have low performance.

One informant stated that if an employee shows higher performance than his colleagues, they are entitled to receive greater incentives even though they occupy the same position. The decrease or increase in an employee's remuneration should be based on the decrease/increase in performance, not because of the grading system. (Tahar, 2012)

d. Workload

The amount of work or tasks that must be completed by a person, team or organization in a certain period can be referred to as workload. Workloads can vary based on the type of work, complexity of tasks, time available, and resources available. Employee workload should be a concern for management. Providing a workload for an

employee, if it is not in accordance with the employee's abilities and skills, will affect the employee's work results. According to Samsudin, workload is a comparison between an employee's abilities and expertise and the main tasks that are the individual's responsibility. Indicators of workload variables include task demands, effort or energy, performance, time efficiency and individual productivity (Norawati et al., 2022).

Regarding workload as a factor in assessing remuneration calculations, this was confirmed by another informant who stated:

"It should not be the same, according to the workload, staff A can handle 10 patients, compared to staff B who only handles 5 patients, for example like that." – informant 3 –

In line with research conducted by Purba & Setoyono (2022), the amount of employee compensation should take into account the workload carried by the employee. This is because workload affects performance and compensation (Purba & Setiyono, 2022)

e. Educational Qualification

Educational qualifications or level of education, in the compensation scheme provided by RSUI currently determines the salary scheme applied. In extracting information from informants, researchers found that informants assessed that educational qualifications needed to be included as a factor in providing or calculating remuneration. Employees with higher educational qualifications will receive higher weightage. In line with previous research, the factor weighing the value of a position based on the knowledge possessed by specialist medical staff is related to their level of education. The knowledge factor based on the level of education in question must be accompanied by a clinical assignment from the hospital leadership that guarantees the competency of specialist medical staff in providing services according to their expertise. (Wati, 2018)

f. Attendance Rate

Attendance levels are closely related to employee discipline. Employee presence at work shows employee responsibility for work and work discipline. Presence is the presence of an employee regarding his duties and obligations. In general, agencies or institutions always pay attention to their employees arriving and leaving on time, so that work is not delayed. Attendance levels are often included in one of the employee performance assessment criteria. In line with this, extracting information from two informants stated that the level of attendance could be included as a factor in calculating remuneration.

g. Years of service

The longer you work, the more experience you will gain. The competence of employees with a certain period of service is not the same when compared to the competence of new employees or fresh graduated employees. From interviews conducted by researchers, informants said that work experience should be taken into account in remuneration.

h. Education and Teaching Expenses

RSUI's responsibility as a teaching hospital is to provide clinical educators for students. An academic atmosphere needs to be built in teaching hospitals with activities such as journal reading, bedside clinics and so on. Health workers who are capable and competent as clinical educators are given appreciation and are counted in the remuneration aspect.

i. Occupational Risks

Hospitals are workplaces with various dangers that can have health impacts, not only on those directly working in the hospital, but also on patients and hospital visitors. Susilowati (2021) The 1998 National Safety Council (NSC) report showed that work accidents in hospitals were 41% greater than for workers in other industries. Cases that often occur are needle sticks, sprains, cuts, contracting diseases, and so on. As stated by the informant during the interview, the risks of work and the place of work need to be considered as a factor in calculating remuneration, such as the risk of infectious hazards in the laboratory.

j. Hospital Financial Capability

The most important thing in providing remuneration for state university hospitals is budget availability. Considering the independence of RSPTN, especially those under universities with PTNBH status, what must be considered from

the hospital side is the hospital's financial capacity. Because currently RSUI's operational funding comes purely from the health services provided by the hospital.

4.4. Remuneration Model for Health Workers at RSUI

After obtaining data and information from informants regarding remuneration at RSUI, the following is a picture of the remuneration model obtained by researchers:

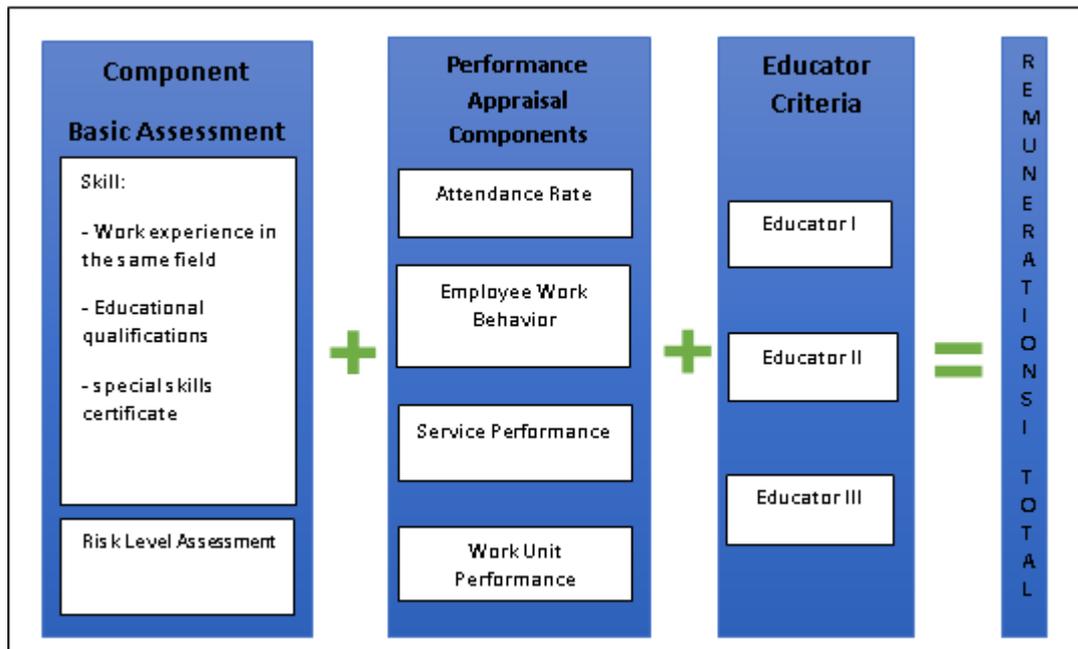


Figure 3. Remuneration Model For Health Workers at RSUI

5. Conclusions

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- d. Achievements of unit performance assessments are carried out and evaluated periodically

Evaluate the educational criteria for health workers and determine them in the Main Director's decision letter

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