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THE EFFECT OF LEADERSHIP STYLE, REMUNERATION, AND MOTIVATION ON IMPROVING EMPLOYEE PERFORMANCE AT GENERAL HOSPITAL DR. TC. HILLERS MAUMERE

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ABSTRACT

Background. Human resources (HR) is one of the most important factors both in both companies and institutions. It determines the growth of a company. A corporation can increase its growth tremendously if it has many competent human resources for each department. To foster employees that are competent and professional at their jobs, effective management is necessary to increase the company's financial resources.

Aims/Objective. The aim of this study was to analyze how leadership style and remuneration system affect the individual performance at the Regional General Hospital dr. TC. Hillers Maumere with motivation as an intervening variable.

Methods. This study used survey research method, with an explanatory causality approach.

Results. Results showed that employee performance will remain at 19.873 percent if the variables in this research—leadership style, work motivation, and remuneration system—are assumed to be equal to zero. There is an influence of leadership ($p=0.000$; $B=0.306$), motivation ($p=0.000$; $B=0.057$), remuneration ($p=0.000$; $B=0.249$) on employee performance. Furthermore, there is an influence of leadership ($p=0.000$; $B=0.306$) and remuneration ($p=0.000$; $B=0.363$) on on employee motivation.

Conclusion. The hospital is expected to further improve the forms and models of motivation and compensation offered to its employees in order to maintain the quality of their performance.

Keywords: Leadership Style; Motivation; Performance Improvement; Remuneration.

1. INTRODUCTION

Human resources (HR) is one of the most important factors, inseparable even, from an organization, either companies or institutions (1). In addition, it determines the growth of a company (2). A corporation can increase its growth tremendously if it has many competent human resources for each department. Conversely, if the human resources in the company are of poor quality, then the company's growth will also be impaired (3).

To foster employees that are competent and professional at their jobs, effective management is necessary (4), because competent and professional employees are a valuable asset for the company to be able to increase the company's economic resources (5). Leadership is one of the factors that affects an employee's productivity. The importance of leaders is paramount to organizations in order to enhance the performance of their employees. Therefore, leaders are required to develop a leadership style in order to augment the efficiency of their subordinates.

Leadership style can be interpreted as a pattern of behavior that is conceptualized in such a way that aims to influence subordinates to have maximum performance, in order to maximize organizational performance and organizational goals (6). Apart from leadership style, the next factor that affects employee performance is motivation. Motivation as a form of encouragement is crucial to increasing employee enthusiasm for work in order to achieve the goals desired by management (7). This is in line with the study by Ali (2021), stating that work motivation has a significant effect on employee performance (8).

The third factor after leadership style and motivation is remuneration. Remuneration refers to rewarding someone for their services and contributions to the organization. In addition, Remuneration can inspire employees to devote more effort to their work and also to develop their talents. From the definitions above, it can be deduced that remuneration has an effect on employee performance. This has been demonstrated by the studies of Rasool et al., (2021) (9). Performance is the result of work, both quality- and quantity-wise, produced by employees or concrete behavior displayed in line with the responsibilities given to them (10). Performance is also the outcome of a worker's efforts (11).

According to Mangkunegara (2011), performance is the quality and quantity of work accomplished by an employee while performing their duties in response to the assigned responsibilities (12). This is in line with the study stating that leadership style and motivation have a positive effect on employee performance (13).

The description above suggests that the success or progress of an organization is primarily dependent on the performance of its employees. The Regional General Hospital dr. TC. Hillers is a

hospital with 2 different leadership styles. As a result, with the new leadership, many employees perceive the difference in the way they perform their assigned jobs. Therefore, this study re-examined several factors that can influence employee performance. The object of study was employees of the Regional General Hospital dr. TC. Hillers Maumere which concern leadership style, motivation, remuneration system and performance improvement.

2. METHOD

This study used survey research method, with an explanatory causality approach. This study had four independent variables (X), these are leadership style (X1), remuneration system (X2), motivation employees (X3), and one dependent variable, performance improvement (Y). The study was conducted from September to October 2023 at the Regional General Hospital dr. TC. Hillers Maumere. This activity employed primary data and secondary data in the form of direct information from respondents as well as data obtained from the Quality Control and SIM Department. The population in this study was employees with Civil Servant status at the Regional General Hospital dr. TC. Hillers. The sampling technique used was accidental sampling. This study used data analysis techniques such as: descriptive statistical analysis, data quality test, classical assumption test, normality test, multicollinearity test, heteroscedasticity test, multiple regression analysis, and coefficient of determination test. The research instrument is a questionnaire that has been tested for validity and reliability. This study received approval from the ethics committee number 005/KEPK/UNPRI/XI/2022.

3. RESULT

Table 1 shows that most respondents are dominated by women at 83.1%. Based on the age of respondents dominated by 30-39 years old at 51.4%, while the most respondents' education is diploma at 64.2%. And based on the job tenure, respondents who worked for more than 10 years were 58.1% and the least were respondents who worked for 0-5 years at 16.2%.

Tabel 1 Respondent Characteristics

Respondents' Characteristics	n	%
Gender		
Male	25	16.9
Female	123	83.1
Age		
20-29 Years	18	12.2

30-39 Years	76	51.4
40-49 Years	44	29.7
≥ 50 Years	10	6.8
Education		
Vocational/Senior High School	8	5.4
Diploma (D1/D3/D4)	95	64.2
Bachelor (S1)	41	27.7
Postgraduate	4	2.7
Job Tenure		
0-5 Years	24	16.2
6-10 Years	38	25.7
> 10 Years	86	58.1
Total	148	100

Based on the table 2, partially, all independent variables (Leadership Style, Motivation, and Remuneration system) had a p-value <0.05, which means that the three independent variables partially have an effect on employee performance in the Regional General Hospital dr. TC. Hillers Maumere, Sikka Regency.

Table 2. Effects of Leadership Style, Remuneration on Motivation and Employee Performance

Influence Test	Unstandardized B	t	Sig.	Explanation
Leadership → Motivation	0,306	19,645	0,000	There is an influence of leadership on employee motivation
Remuneration → Motivation	0,363	74,240	0,000	There is an influence of rumenance on employee motivation
Leadership → Performance	0,439	33,502	0,000	There is an influence of leadership on employee performance
Motivation → Performance	0,057	5,233	0,000	There is an influence of motivation on employee performance
Remuneration → Performance	0,249	49,687	0,000	There is an influence of rumenancy on employee performance

Multiple linear regression analysis was also used to determine the external influence of each independent variable on the dependent variable. Based on the table above, the form of the multiple linear regression line equation was expressed in the equation $Y = 19.873 + 0.439X_1 + 0.057X_2 + 0.249X_3$. $\beta_0 = 19.873$, which statistically showed that employee performance will remain at 19.873 percent if the variables in this research—leadership style, work motivation, and remuneration system—are assumed to be equal to zero. The results showed that leadership style can improve employee performance by 0.439, meaning that each one unit increase in leadership style will increase performance by 0.439 if other variables are assumed to be equal to zero. Similarly, work motivation can improve employee performance by 0.057. While remuneration system can improve employee performance by 0.249, meaning that each one unit increase in remuneration system will increase performance by 0.249. For increase in motivation, leadership style can improve employee motivation by 0.306, meaning that each one unit increase in leadership style will increase employee motivation by 0.306 if other variables are assumed to be equal to zero. Remuneration system can increase employee motivation by 0.363, meaning that each one unit increase in remuneration system will increase employee motivation by 0.363 if other variables are assumed to be equal to zero.

Based on the table 3, the R^2 was 0.500, meaning that 50% of employee performance is influenced by the variables of leadership style, work motivation, and remuneration system, while 50% is influenced by other variables not analyzed in this study. To demonstrate whether leadership style, work motivation, and remuneration simultaneously have an effect on employee performance, F test was carried out, with the following results.

Table 3. Effects of Leadership Style, Remuneration and Motivation on Employee Performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Sig. F Change
					R Square Change	F Change	df1	df2	
1	.707 ^a	.500	.500	6.49781	.500	5373.528	3	16137	.000

a. Predictors: (Constant), REMUNERATION, Leadership, MOTIVATION

The table 4 shows $p=0.000 < 0.05$, meaning that leadership style, work motivation, and remuneration system simultaneously have an effect on employee performance. This means that an increase in leadership style, work motivation, and remuneration system will increase employee performance at the Regional General Hospital dr. TC. Hillers Maumere, Sikka Regency.

Table 4. ANOVA Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	680636.788	3	226878.929	5373.528	.000 ^b
	Residual	681329.863	16137	42.222		
	Total	1361966.651	16140			

a. Dependent Variable: PERFORMANCE

b. Predictors: (Constant), Remuneration, Leadership, Motivation

4. DISCUSSION

The Effect of Leadership Style on Employee Performance

From the study's results, it is understood that leadership style, remuneration, and motivation are influential. Leadership style and the organization's leadership have a significant impact on employee performance (14). How leaders establish relationships with their workers, how they reward outstanding workers, and how they develop and empower their workers greatly affects the performance of human resources under their leadership. Leadership is considered the capacity to inspire two or more individuals to collaborate in the performance of activities that have a shared purpose (15). Effective leaders must be able to influence their employees to do things in accordance with preplanned concepts of the organization. The prosperity and decadence of an organization is predicated on the leadership (16). There are several leadership styles, such as Autocratic, Democratic, Laissez-Faire, Transactional, and Transformational styles (17).

The Effect of Remuneration on Employee Performance

Remuneration is a form of compensation given to employees or workers for the objectives they have accomplished that will help to achieve the organization's goals (18). The success of a

company is attributed to the employees' commitment to utilizing their creativity, abilities, and knowledge in the company's favor, and here, the leader is responsible for encouraging and maintaining positive input from their employees by providing them with effective rewards (19). Financial compensation is divided into direct compensation such as salary, incentives, and overtime, and indirect compensation such as allowances and benefits. On the other hand, non-financial compensation may include praise, appreciation, recognition, and employee leave. Compensation has been researched in depth by previous researchers such as (20).

The results of this study are not in line with the study by Nurdinah (2019) in Gunungkidul stating that there is no relationship between remuneration and performance (21). In this study, leaders at the Regional General Hospital dr. TC. Hillers have dedicated non-financial compensation to employees such as awards and promotions, supervision that is conducted by someone competent, fair policies that are created by the leadership, and the recognition of status symbols for employees from the leadership.

The Effect of Motivation on Employee Performance

Motivation according to Maslow's Hierarchy of Needs Theory is an encouragement for a person so that they can and wants to carry out their duties and responsibilities seriously, be more enthusiastic in carrying out the assigned tasks, and improve their performance (22). Motivation is a force within a person that influences the direction, intensity and persistence of voluntary behavior (23). Work motivation is the result of a collection of internal and external forces that cause workers to choose appropriate courses of action and display certain behaviors (24). Luthan (2006) believed that motivation is the process that begins with physiological or psychological deficiencies that leads to actions or impulses intended for goals or rewards. Therefore, the key to understanding the process of motivation is to understand the connection between needs, drives and incentives (25).

The study by Sardjana stated that remuneration, work discipline, and motivation influence employee performance simultaneously (26). External motivation is the act of doing something solely for the purpose of receiving rewards or avoiding punishment from others, such as managers. Motivation is a factor that contributes to employee welfare (27).

From the results of this study, leaders at the Regional General Hospital dr. TC. Hillers have implemented the principle of fulfilling employees' basic needs, security needs, socialization needs and appreciation needs such as providing leave rights to employees and rewards to excellent employees, and satisfying the needs of self-actualization like freedom to develop their expertise.

The Effect of Leadership Style, Remuneration, and Motivation on Employee Performance

Table 6 shows an adjusted R square value of 0.500, meaning that 50% of employee performance is influenced by the variables of leadership style, work motivation, and remuneration system, while 50% is influenced by other variables not examined, with a p-value of $0.000 < 0.05$ which means that leadership style, work motivation, and remuneration system simultaneously affect employee performance at the Regional General Hospital dr. TC. Hillers Maumere, Sikka Regency.

The success of an organization is dependent on the quality of its leadership, because leaders with a high degree of quality are capable of utilizing existing resources within the organization (28), possess the capability to guide their subordinates (29), and are capable of anticipating all sudden and unexpected changes and rectifying all existing weaknesses (30). According to Liang Gie in Samsudin (2015), motivation is the effort exerted by managers in providing inspiration, enthusiasm and encouragement to others (31).

Rosenberg, in Mangkuprawira (2013), stated that remuneration is wages and all other monetary benefits associated with employment that are specific to employees for their efforts or accomplishments (32). It is expected to inspire employees to improve and also realize their potential (33). There are seven forms of remuneration, namely salary, cost of living allowance, performance allowance, holiday allowance, compensation allowance, health contribution, and old age allowance contribution (34).

Leadership dimensions and indicators can be observed from the leadership function as an innovator, communicator, motivator and controller (35). A good leader must understand that the purpose of providing motivation in addition to increasing employee productivity is to improve employee wellbeing (5). Increasing employee wellbeing can also be accomplished through remuneration. The ambition of a company or organization to pay employees high remuneration can be used as a metric for the company's success in developing employee performance, because high remuneration is only possible if the company has a significant income (9).

5. CONCLUSION

From this study, it is deduced that leadership style and remuneration have a simultaneous effect on the performance of employees of the Regional General Hospital dr. TC. Hillers Maumere, Sikka Regency. This demonstrates the association with the service quality perceived

by the community. A successful leader will employ a leadership style that can augment the productivity of their employees by providing encouragement and remuneration. Improved employee performance will have a positive impact on the services received by the community.

As a suggestion for the research location, the hospital is expected to further improve the forms and models of motivation and compensation offered to its employees in order to maintain the quality of their performance.

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