

THE INFLUENCE OF LEADERSHIP STYLE MANAGEMENT AND COMPENSATION ON PERFORMANCE FOR CONTRACT EMPLOYEES AT LEMBANG HOSPITAL

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Abstract

The purpose of this research is to determine the influence of leadership style management and compensation on performance for contract employees at Lembang Regional Hospital. A quantitative approach was used in this research with 207 employees as respondents. This journal discusses an introduction consisting of problem background, problem formulation, objectives and theoretical review. Another aim of this journal is to answer the hypothesis proposed in this research. Data was collected using questionnaires and quantitative analysis which was processed using SPSS. The results obtained in this research are that leadership style and compensation have a significant influence on the performance of contract employees at Lembang Regional Hospital.

INTRODUCTION

Hospitals are one of the service areas for health services that can be felt directly by the community. Lembang Regional General Hospital is a type C hospital that is fully accredited. The Lembang Regional General Hospital is certainly inseparable from employees who need to implement strategies to improve employee performance by providing training or skills for employees to improve performance. Lembang Regional General Hospital has 207 contract employees divided into nursing staff, midwifery staff, other health workers and general administration staff. The importance of this research is to find out how the performance of contract employees at the Lembang Regional Hospital is so that the employees can produce better

performance and the motivation of the Lembang Regional Hospital employees is still considered lacking because the employees only focus on the salary they receive to meet the needs of daily life.

Lembang Regional Hospital is one of the hospitals belonging to the West Bandung Regency Regional Government which is located in one of the national and international tourist destinations. This hospital has a vision "To make a superior hospital with professional and complete services to improve the level of public health in West Bandung Regency" so that to achieve this vision, qualified and competent human resources are needed to provide the best health services for the community. Quality and competent human resources can provide the best service so as to create work that is conducive, harmonious and in line with good goals. Human resource activities can be said to be an effort to maximize the potential of human resources so that they provide maximum contribution to efforts to achieve company goals. HR is an important element in improving the performance of a company because HR can be a determining factor in the progress or decline of a company. To be able to manage human resources well, human resource management is required (Anggoro KR, et al, 2022). Human resource management is the main element found in companies or organizations such as hospitals, government agencies, financial institutions and so on, where one of the functions or objectives is to act as a driver of the company's operational activities. Thus, it can be said that human resource management practices have a positive influence on improving employee performance which will also increase the organization's ability to produce high organizational performance.

From several references it can be concluded that Human Resource Management (HRM) is the process of managing human resources which are the main resources in a team, group or organization in an effort to achieve company goals (Desler G, 2015; Arraniri, et al, 2021). In its management, HRM can assist managers in making decisions when completing assigned tasks and to handle conflicts that may arise in management.

Leadership is a special type of power relationship that is defined by group members' assumptions that one member of the group is empowered to determine patterns of behavior related to their performance as a leader (Harianto, 2014). Definitions of leadership also differ when people try to define the concept of leadership. Broadly defined, leadership involves the process of influencing the setting of organizational goals, encouraging follower behavior to achieve those goals, and influencing the team and culture. This also influences explaining events to followers, organizing activities to achieve these goals, maintaining cooperative relationships and teamwork, and getting support and cooperation from people inside or outside the organization (Wulandari et al., 2021).

Performance is the work result that has been achieved by a person or group of people in an organization or company in terms of quality and quantity in a certain period which reflects how well the person or group complies with the requirements of a job in an effort to achieve organizational or company goals. Employee performance is a very important factor because the progress of an organization or company depends on the human resources it has. The better the quality of employee performance, the better the quality of a company in achieving its goals (Anggoro KR, et al, 2022). If performance declines, it will also result in setbacks for the company, resulting in the company being unable to maintain its business. Employee performance sometimes increases and sometimes decreases, and this decline can even reach a point where the institution or company will lose its prestige in society. Resources that are maintained will of course have high HR morale so that their performance will be good for the company. (S. Mulyeni, Ismasitoh, L Nurliah, S. Santi, N. Sikki, 2023).

Based on the description above, the formulation of the statistical hypothesis that will be

tested in this research is as follows;

1. Hypothesis (H0): Leadership style (X1) has no effect on performance (Y) for contract employees at Lembang Regional Hospital;
Hypothesis (H1): Leadership style (X1) influences performance (Y) for contract employees at Lembang Regional Hospital;
2. Hypothesis (H0): Compensation (X2) has no effect on performance (Y) for contract employees at Lembang Regional Hospital;
Hypothesis (H1): Compensation (X2) influences performance (Y) for contract employees at Lembang Regional Hospital;
3. Hypothesis (H0): Leadership style (X1) and compensation (X2) have no effect on performance (Y) for contract employees at Lembang Regional Hospital;
Hypothesis (H1): Leadership style (X1) and compensation (X2) influence performance (Y) for contract employees at Lembang Regional Hospital.

THEORITICAL REVIEW

Human Resource Management

Human resource management (HRM) can be interpreted as the utilization of human resources within an organization, which is carried out through the functions of human resource planning, recruitment and selection, human resource development, career planning and development, providing compensation and welfare, safety and occupational health, industrial relations Marwansyah, (2019:3-4). HRM can also be interpreted as a science or method of how to manage the relationships and roles of resources (workforce) owned by individuals efficiently and effectively and can be used optimally so that the joint goals of the company, employees and society are achieved optimally Ni Wayan, (2022:1-2). The following are several definitions of HRM according to experts:

1. According to Malay SP Hasibuan, it is the science and art of managing the relationships and roles of the workforce so that they are effective and efficient in helping to realize the goals of the company, employees and society.
2. According to Henry Simamora, it is as utilization, development, assessment, providing compensation or working groups.
3. According to Achmad S Rucky, it is about utilization, development, assessment, providing compensation and management of individual members of an organization or work group.

Leadership Style

Leadership style is a leader's behavior that a person uses when they want to influence other people. Kartono, (2002: 62), explains that leadership style is a leader's way of working and behaving in guiding his subordinates to do something. So leadership style is the characteristics and behavior of a leader that is applied to his subordinates to guide his subordinates in carrying out their work. Indicators in measuring the leadership style variable are 1) the leader's attitude is the view accompanied by the leader's actions in behaving in the work environment, 2) courage to accept risks is an attitude of self-confidence in facing the consequences that may occur, 3) accuracy in delegating authority is the ability to provide delegation. formal authority and responsibility to other people to carry out certain activities, 4) leadership ability is the leader's attitude in leading employees to carry out company goals, 5) visionary is the attitude of a leader who is able to translate his abilities into the company's vision and then distribute it to employees.

Compensation

Compensation is what employees receive, both in the form of money and non-money as remuneration for services provided to employees (employee contributions) by the company. According to Marwansyah, (2019: 297) compensation is a fair and appropriate direct or indirect, financial or non-financial award or reward to employees, as a reward or contribution/service towards achieving organizational goals.

Compensation is a part of compensation management that often causes problems. Compensation management is part of HR management which contains various elements in it because it has a difficult impact on all positions, while the compensation management function is implemented as a strategy in a company Zahera Mega Utama, (2020: 102).

The indicators used to measure compensation variables are 1) basic salary is measured from the employee's perception of the amount of salary received in daily life, 2) incentives are additional compensation beyond the basic salary given to sufficient employees, 3) allowances are additional compensation outside of salary principal and incentives given to employees, 4) bonuses are additional income received by employees which is adjusted to the work realization targets each month.

Employee performance

Performance is an important element in management, what is meant by performance is the overall result or level of success of a person during a certain period in carrying out tasks based on various measures, such as work standards, targets, targets or criteria that have been determined in advance and have been agreed upon. with Dr. I Made Darsana (2023: 59). Performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective authority and responsibilities in order to achieve the goals of the organization in question legally, without breaking the law, and in accordance with morals and ethics (A. Widarman, Rohim, H. Sandi Yudha, 2020). Performance is also the result of work produced or contributed by an employee related to duties and responsibilities to the company. Performance is not limited to just understanding work results or work performance, but there is a broader meaning in it, including the work process (N. Sikki, 2021). So performance can be defined as the result of an employee's work in a company in accordance with their duties.

Employee performance can be useful for the company in achieving the mission and vision that has been set. The success of employees in completing their tasks is not only influenced by their own abilities, but also by external factors, namely the condition of the company and *feedback* earned by employees. The majority of employees will provide optimal performance if there is feedback from the company that meets their expectations. This shows that the company and employees are a unit that needs each other and efforts are needed to produce human resources that meet the company's expectations.

According to Sedarmayanthi, (2017:286) employee performance indicators include: quality, quantity, timeliness, ability to collaborate and independence. Handoko, (2011: 135) states performance as a company process in evaluating or assessing employee work performance. A person's performance ability is to show his work performance by completing his duties well and responsibly.

RESEARCH METHODS

The data collection method used in this research is quantitative data in the form of population figures by distributing questionnaires via an online form using Google Form which is stored in Google Drive. The tools used in this research were cellphones and laptops. In this research, there were all contract employees at Lembang Regional Hospital, totaling 207 people with a sample of

111 people.

RESULTS AND DISCUSSION

Normality Test

The use of parametric statistics works with the assumption that the data for each research variable to be analyzed is normally distributed, so normality must be tested first. Ghozali (2018 : 161) graphically normality tests are used to test whether in the regression model the confounding or residual variables have a normal distribution. In this research, the analysis used was the Kolmogorov-Smirnov Test (KS) analysis. Guidelines for returning decisions about the data are close to or are a normal distribution based on the Kolmogorov-Smirnov Test (KS). Can be seen from:

- The sig or significant value or probability is <0.05 , then the data distribution is not normal or H_0 is rejected.
- The sig or significant value or probability is >0.05 , making it easier to carry out statistical calculations, then the data distribution is normal and H_0 is accepted.

Table 1 Normality Test

Variable	Testing		
	Significance	P value	Information
Leadership Style	0.200	0.05	Normally Distributed Data
Compensation			
Performance			

Source: Data Processing Results, 2024

Based on the results of the normality test using the Kolmogorov-Smirnov Test (KS), the data processing results show that the data is normally distributed. This is proven by the Kolmogorov-Smirnov Test (KS) which shows the Asymp.Sig (2-tailed) value above the 0.05 significance level, namely 200 or $200 > 0.05$ so it can be concluded that the data is normally distributed. With normal data results, one of the assumptions in the data normality test has been fulfilled.

Heteroscedasticity Test

Heteroscedasticity according to Ghozali, (2018: 137) aims to test the existence of inequality in the regression model in the variance from the residuals of one observation to another. It is called heteroscedasticity if the variance from the residuals of one observation to another observation is different. The regression model can be said to be good if heteroscedasticity does not occur. In this research, it was carried out using the Glejser test. This research chose the Glejser test as the heteroscedasticity test method because the Glejser test is more accurate with the results displayed in the form of mathematical numbers and not graphic images. The Glejser test is carried out by regressing the independent variables on their residual absolute values (ABS_RES). According to Ghozali, (2018: 142) heteroscedasticity testing criteria:

- If the significance of the Glejser output is greater than 0.05 (>0.05) then there are no symptoms of heteroscedasticity.
- If the significance of the Glejser Belih output is less than 0.05 (<0.05), then there are symptoms of heteroscedasticity.

Table 2 Heteroscedasticity Test Results

Variable	Significance	Information
Leadership Style	0.043	Heteroscedasticity Free
Compensation	0.060	Heteroscedasticity Free

Source: Data Processing Results, 2024

It can be seen that the significance column for the leadership style and compensation variables respectively shows figures of 0.043 and 0.060, which means the value is greater than 0.05. Thus it can be concluded that heteroscedasticity does not occur.

Multiple Linear Regression Test and Hypothesis Testing (t Test, F Test), as well as determination analysis.

Multiple Linear Regression Analysis

According to Priyatno (2014: 148) this multiple linear regression analysis was carried out because in this research the researcher wanted to know the influence or relationship of two or more independent variables on one dependent variable in a linear manner. The formula used to calculate the multiple linear regression equation with two independent variables according to Priyatno (2014: 160) is as follows:

$$Y' = \alpha + \beta_1X_1 + \beta_2X_2 + e$$

Information :

Y': Predicted value of dependent variable

α : Constant, namely the value of Y' if X₁ and X₂= 0

$\beta_1 \beta_2$: regression coefficient, namely the value of increasing or decreasing variable Y' based on variables X₁ and X₂

X₁ : Independent Variable

X₂ : Independent Variable

e: Error

T test (partial test)

The t test is used to determine whether the partial independent variable regression model has a significant effect on the dependent variable.

Hypothesis:

Ho: There is no partial influence of the independent variable on the dependent.

Ha: There is a partial influence of the independent variable on the dependent.

Decision making criteria:

- a. H₀: accepted if $-t \text{ count} \geq -t \text{ table}$ or $t \text{ count} \leq t \text{ table}$ (no effect).
- b. H₀: rejected if $-t \text{ count} < -t \text{ table}$ or $t \text{ count} > t \text{ table}$ (has an effect).

F Test (Simultaneous Test)

The F test is needed to find out whether the independent variables simultaneously have an influence on the dependent variable Ghazali, (2016: 171). According to Priyatno, (2014: 186), this test has criteria based on significance values as follows:

- a. Significance < 0.05 means the research hypothesis is accepted.
- b. Significance > 0.05 then the hypothesis research is rejected.

Correlation Coefficient Test (R) and Determination Coefficient Test (R²)

The correlation coefficient test is used to determine the relationship between two or more independent variables by looking at the R value, if it is close to one then the relationship between the independent variables can be said to be interconnected, according to Priyatno, (2014: 155). The coefficient of determination test according to Ghozali, (2016: 171) is used to find out how much influence the independent variable has on the dependent which ranges in value from 1 to 100 or if used as a percentage it is 1% to 100%.

Table 3 Multiple Linear Regression Test Results

Variable	Coefficients	Q	Sig	Decision
Constant	13,913	10,287	0,000	
Leadership Style	0.310	4,134	0,000	HI Rejected
Compensation	0.013	0.188	0.426	H0 Accepted
R2	0.420 or 42%			
Adjusted R2	0.176 or 17.6%			
F	11,542			
Sig	0,000			

Source: Data Processing Results, 2024

Note: For decision making nilsi p- value has been divided into 2, because the test was carried out in 1 direction.

$$\text{Performance} = a + \beta_1 \text{Leadership Style} + \beta_2 \text{Compensation} + e$$

$$\text{Performance} = 13.913 + 0.310 + 0.013$$

The Influence of Leadership Style Management on Performance for Contract Employees at Lembang Regional Hospital

Based on the test results, it is known that leadership style affects performance for contract employees at Lembang Regional Hospital, this is indicated by the statistical T value having a positive sign of 4.134 with a significance level of 0.000, where the value is smaller than 0.05, which indicates that the H1 hypothesis is rejected. The coefficient value of 0.310 indicates that every 1% increase in leadership style will result in an increase in performance of 0.310 times.

The Effect of Compensation Management on Performance for Contract Employees at Lembang Regional Hospital

Based on the test results, it is known that compensation for performance for contract employees at Lembang Regional Hospital is indicated by the statistical T value having a positive sign of 0.188 with a significance level of 0.426, where the value is greater than 0.05, which indicates that the H0 hypothesis is accepted. The coefficient value of 0.013 shows that every 1% increase in compensation will result in an increase of 0.013 times.

The Influence of Leadership Style Management and Compensation on Performance for

Contract Employees at Lembang Regional Hospital

It is known that the F test has a positive value of 11.542, with a significant value of $0.000 < 0.005$, so H_0 is rejected. From the test results, leadership style and compensation simultaneously influence performance at Lembang Regional Hospital. It can be seen from the original Adjusted R Square result of 0.176 or 17.6%, this shows that the influence of leadership style and compensation on performance for contract employees at Lembang Regional Hospital which can be explained by the equation model is 17.6% and the remaining 82.4% is influenced by factors not included in the regression model .

CONCLUSION

Based on research on the influence of leadership style management and compensation on performance for contract employees at Lembang Regional Hospital, it can be concluded:

- 1) Based on the data results, it was found that the leadership style and compensation variables had a significant influence simultaneously on the performance of contract employees at Lembang Regional Hospital. This is proven by the F value of $0.000 < \alpha = 0.05$, while the magnitude of the variable influence is proven by the coefficient of determination value which shows that the contract performance variable at Lembang Regional Hospital is 17.6%.or 0.176 and the remainder is influenced by factors not included in the regression model;
- 2) Based on partial test results, it shows that leadership style has no significant effect on performance for contract employees at Lembang Regional Hospital;
- 3) Based on partial test results, it shows that compensation has a significant effect on performance for contract employees at Lembang Regional Hospital.

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