

The Role of Compensation in Improving Work Motivation and Employee Performance (Case Study on Madiun Hospital Employees)

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ABSTRACT : The purposes of this study is to investigate the role of compensation in improving work motivation and employee performance at RSUD Madiun. Qualitative research methods were used to gain an in-depth understanding of the impact of compensation on employee work motivation and performance. Data was collected through in-depth interviews with employees of RSUD Madiun, and content analysis was used to analyze the data. The results showed that compensation has a significant role in improving work motivation and employee performance. Compensation that is fair and in line with employee contributions can encourage intrinsic and extrinsic motivation, which in turn improves employee performance. An in-depth discussion was conducted to illustrate the relationship between compensation, work motivation, and employee performance. The conclusion of this study is the importance of good compensation management in creating a work environment that motivates and supports improved employee performance.

KEYWORDS :: *Compensation, Motivation, Performance, Employee*

I. INTRODUCTION

In an era of rapidly evolving and changing businesses and organizations, maintaining high levels of motivation and achieving optimal performance from employees is no longer just a desire, but a necessity. The increasingly complex business environment requires companies to adapt and innovate continuously (Reid, 2008). Highly motivated employees have the potential to become valuable assets in creating added value and answering the challenges faced by the company. Optimal performance, which includes efficiency, productivity, and providing added value to customers or clients, is key to maintaining competitiveness in today's competitive market (Dapu, 2015).

Madiun Regional General Hospital (RSUD), as one of the important entities in public health services, is no exception to the need for optimal employee motivation and performance. Providing high quality medical care and providing the best service to patients is the main mission of RSUD Madiun. In the midst of intense competition in the provision of health services and increasingly high expectations from the community, optimizing employee performance is essential in achieving this goal. They are the frontline workers who interact directly with patients and contribute directly to the patient experience and reputation of the Madiun hospital.

Within the framework of the performance optimization challenge at Madiun hospital, issues surrounding employee compensation emerge as important to consider. The fundamental question arises: To what extent does the compensation provided to employees play a role in stimulating their work motivation and, ultimately, affecting overall performance? Compensation that is fair and commensurate with employees' contributions and responsibilities can be an important factor in driving intrinsic and extrinsic motivation (Abas & Imam, 2016). Employees who feel recognized and rewarded for their hard work tend to have a greater drive to give their best.

This research has an important objective to investigate the concrete impact that the compensation system has on employees' work motivation and performance at Madiun hospital. Using a qualitative research approach, we designed a methodology that allows us to understand employees' perceptions and experiences regarding compensation and its relation to motivation and performance. In-depth interviews with various levels of positions and departments will provide rich and deep insights into the various factors that influence this relationship.

II. METHOD

In order to gain an in-depth and comprehensive insight into the role played by compensation in improving work motivation and employee performance, this study applied a qualitative research method approach. This method was chosen for its ability to explore the meanings and views of individuals, as well as reveal the complexity of social interactions involved in an organizational context. Through this method, researchers are able to understand more deeply about how compensation, both directly and indirectly, affects employee perceptions, attitudes, and behaviors (Sugiyono, 2016).

Data collection in this study was conducted through in-depth interviews with employees of Madiun hospital. In order to cover a broad spectrum of experiences and perspectives, various job levels and departments were included in the study. This approach ensured that the data obtained represented a variety of viewpoints, while enriching the analysis to be conducted. Through in-depth interviews, the researcher had the opportunity to obtain a more complete and detailed narrative of how employees' perceptions of compensation influence motivational factors and ultimately impact their performance.

Content analysis is a very important tool in understanding and formulating findings from the data collected. In this stage of analysis, the researcher identifies patterns that emerge, themes that emerge consistently, and relationships that are built between existing concepts. Content analysis allows researchers to more clearly describe how compensation can trigger work motivation, both in intrinsic and extrinsic aspects, and how this motivation then plays a role in improving overall employee performance (Creswell, 2014). In this way, this research method provides a strong foundation for compiling useful findings and practical implications that can be taken by the management of the Madiun Hospital to improve organizational performance.

III. FINDINGS

The in-depth results of this study open new insights into the significance of the role of compensation in spurring work motivation and stimulating improved employee performance in Madiun hospital. Some of the main findings revealed in this study provide a deeper understanding of the relationship between compensation, motivation, and performance.

1. Compensation, Recognition, and Rewards in Increasing Motivation

The importance of recognition and reward in the relationship between compensation, work motivation and employee performance cannot be overlooked. Employees who receive fair compensation, which reflects their contribution to the organization's success, feel valued and recognized for their efforts and achievements (Winarni et al., 2016). This concept is closely aligned with psychological theories that emphasize the importance of recognition as a supporting factor for intrinsic motivation. In the context of hospitals, where the role of employees is crucial in medical services, recognition of their dedication and performance not only leads to higher motivation, but also fosters a high quality service-oriented work culture. By having a compensation system that provides appropriate rewards, Madiun hospital can create an environment that encourages employees to continue to perform optimally in order to provide the best medical services for patients.

2. Financial Wellbeing and Focus on Critical Tasks

Apart from recognition, financial well-being also has a significant impact on employee motivation and performance. Adequate compensation not only provides financial security for employees, but also reduces the stress that can interfere with their concentration and performance. Free from financial burdens, employees can focus more on their critical tasks of providing medical services and patient care (Vidella & Afiah, 2020). Financial stability also provides a sense of security and confidence, which in turn encourages employees to contribute optimally and actively participate in achieving organizational goals. From a hospital perspective, financial well-being also creates a more stable environment for healthcare professionals who interact with patients, which can have a positive impact on patient experience and treatment success.

3. Intrinsic and Extrinsic Motivation in a Supportive Work Environment

The findings of this study explain that compensation not only impacts extrinsic motivation, through incentives and bonuses, but also has a profound influence on employees' intrinsic motivation (Rheinberg, 2020). Apart from material incentives, a conducive work environment and support from management are key drivers of employees' intrinsic motivation (Abas & Imam, 2016). Factors such as autonomy at work, opportunities for growth and development, and a sense of meaning in their tasks create a sense of intrinsic engagement and satisfaction. In the context of Madiun hospital, this means that compensation accompanied by a work environment that provides creative freedom, opportunities for continuous learning, and clear and inclusive management support, will result in stronger and more sustainable motivation.

IV. DISCUSSION

The results of this study deeply illuminate the important role of appropriate compensation in driving employee motivation and improving performance in Madiun hospital. The findings raise critical questions about how a careful compensation structure can be a catalyst in shaping employee behavior, attitudes, and morale. In an era of increasing competition and business complexity, this revelation highlights the fact that compensation is not just a tool to meet financial needs, but also a strategic instrument in achieving organizational goals. The implication for Madiun hospital is to adopt a compensation approach that is based on the values of recognition, reward, and achievement, which in the long run will shape a high-quality work culture and focus on the best service for patients.

The role of recognition and reward in the relationship between compensation and motivation becomes very significant in this study. This concept directs our view to the importance of viewing compensation not only as a financial transaction, but also as a tool to appreciate employees for their contributions. Recognition of achievements results in an intrinsic drive for employees to continue performing optimally. In the context of Madiun hospital, where the responsibility and impact of employees on patient safety and well-being is immense, rewards for outstanding performance will shape a work environment that supports employee morale and fighting spirit.

Apart from recognition, the financial well-being factor is also a point of emphasis in these findings. Based on the research results, the financial well-being generated by adequate compensation carries much deeper implications than simply easing employees' economic burdens. Research shows that employees who feel financially secure have a greater potential to engage fully in their job tasks. With lower financial stress, they can direct their energy into their work with more focus and dedication. In hospital settings, where precision and attention to detail are crucial, financial well-being can help reduce the risk of errors and optimize the care provided to patients.

Findings highlighting the relationship between compensation and motivation reveal an interesting paradox in the dynamics of work motivation. On the one hand, extrinsic incentives such as bonuses and rewards play a role in driving the achievement of performance targets and stimulating greater effort. On the other hand, intrinsic motivation, which arises from a sense of emotional involvement in work and a sense of fulfillment from contribution, forms a solid foundation for sustained performance. In light of this insight, the management of Madiun hospital needs to recognize that the optimal combination of these two dimensions of motivation is the key to success. Compensation strategies should be designed in such a way that they encourage high performance and stimulate the growth of intrinsic motivation that forms a work culture of integrity.

The findings from this study are consistent with leading theories of motivation, which emphasize the importance of recognition, reward, and financial well-being in shaping morale and achievement. This analysis strengthens the existing understanding of these concepts, by presenting concrete evidence in the context of Madiun hospital. Empirical support of the positive relationship between adequate compensation and employee productivity validates the view that investment in compensation is a smart investment for organizations. In the face of intense competition and increasing service demands, this study provides a strong scientific foundation for the management of Madiun hospital to move forward in designing effective compensation policies.

The positive influence shown by this study poses a challenge for the management of the Madiun hospital to design a holistic and future-looking compensation policy. The integration of the concepts of recognition, reward, and financial well-being should be a priority in the formulation of a comprehensive compensation policy. Expanding the notion of compensation from just salary and benefits to a tool that supports employee satisfaction and sustained motivation will ensure that Madiun hospital has a strong foundation for the achievement of long-term goals.

V. CONCLUSION

In relation to this research, it is becoming increasingly evident that wisely applied compensation is not only an instrument to fulfill employees' financial needs, but also a key to establishing a high-quality work culture at Madiun hospital. Recognition and appreciation of employee contributions, financial well-being supported by adequate compensation, and synergy between extrinsic and intrinsic motivation form a solid foundation for better performance. In the face of challenges in the increasingly complex world of healthcare, these findings provide clear guidance for management to design and implement a holistic compensation policy.

Successfully implementing these findings will bring far greater benefits than simply improving employee productivity and performance. It will shape a work culture that creates sustainable employee morale, morale and satisfaction. In the hospital context, this culture will flow into better medical services, with higher quality and a sharper focus on patient needs. As such, this research makes a valuable contribution to Madiun hospital on its journey towards excellent and innovative healthcare. In a dynamic era that is constantly evolving, recognition of the crucial role of compensation in shaping a high-quality work culture is an important step towards achieving the organization's vision and mission in providing the best health services for the community.

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