

# **HR Development And Compensation Development Strategy On The Satisfaction Of Work And Its Impact On Employee Performance**

**Nova Mardiana<sup>1</sup>, Andi Desfiandi<sup>2</sup>, Ardanta Istari<sup>3</sup>**

University of Lampung, Institute Informatics and Business Darmajaya  
nova.mardiana@feb.unila.ac.id, desfiandi@hotmail.com

## **ABSTRACT**

Based on the performance measurement, the 2016 Performance Indicator agreed between the Director General of Health Efforts Development of Ministry of Health and the President Director of Abdul Moeloek Hospital has not fully achieved the set target. The authors suspect that the target is not achieved is due to lack of performance and employee job satisfaction. This is the impact of the management of human resource management that is allegedly less targeted, especially in the areas of human resource development and employee compensation is not appropriate. This research is survey with Path analysis. Functional employee of General Hospital. Abdul Moeloek numbered 669 employees. Samples taken by 250 respondents. The conclusion of this research is that the research support the proposed hypothesis, that is (1) there is relationship of human resource development and compensation to the employees, (2) there is influence of human resources development and compensation partially to employee job satisfaction, (3) the influence of human resource development and compensation simultaneously on job satisfaction of employees of RSAM, (4) there is influence of job satisfaction on RSAM employee performance. Suggestion from this research is employee development must be done continuously according to employee requirement and compensation in the form of remuneration succeed to improve job satisfaction and employee performance, therefore must be maintained.

**Keywords: Human Resource Development, Compensation, Job Satisfaction and Employee Performance.**

## **1. Introduction**

In the era of industrialization, a hospital recently supported the first, second, and third level services so that the hospital needed to maintain the quality of service to the society. In an organization, the functional and structural officials were professionals whose roles embraced all hospital services. These roles made the functional officials provide good service with customers and patients. Moreover, the structural officials were as the administrative professionals of hospital management. Therefore, the functional and structural officials were civil servants

established by government regulation and legislation and appointed by staffing officers.

Ministry of Administrative Reform issued a new remuneration policy i.e., the Regulation of the Minister of State Apparatus Empowerment and Bureaucratic Reform number 34 of 2011 on the Guideline of Work Position Evaluation and the Regulation of the Minister of Administrative Reform and Bureaucracy Reform number 63 of 2011 on the Remuneration System Guideline for Civil Servant Performance. The basis of this policy consideration was an effort to improve the civil servant performance that had implemented the

bureaucratic reform needs to get performance allowances. The remuneration system guideline for civil servant performance was established as a guide in determining the amount of performance allowance within the government institution that implements the bureaucratic reform. The rationale was that the civil service payroll system was not only based on the rank and length of work but had to reflect the civil servant performance.

The recent-arising problems in the health services (hospitals) were caused by the poor performance of health service providers in the hospital due to lack of professionalism in carrying out duties and responsibilities. Hospitals were regarded as one of the most important health care facilities in upholding the health care system in Indonesia and they should have professional employees and could meet the needs of users of hospital health services. The low performance of hospital employees was reflected in the lack of management supervision in the hospital operations due to the long and complicated the administrative and management service bureaucracy with which the certain elements intervened inside. Lack of service and attention, low responses in handling complaints, low knowledge and understanding in serving the customer desires showed the lack of employee performance (Djamaluddin, 2002: 107).

Human resource development was the attempt to improve the technical, theoretical, conceptual, and moral skills of employees in accordance with the needs of work through the education and training. Human resource development activities were not ignored recently. Regarding this matter, it had to be realized that a development is the fundamental problem for employees. The development activities provided dividends to employees and companies in the form of skills. These skills were a valuable asset for the company. Human resource development was the continuous-planned attempt done by the management to enhance employees' ability to measure and achieve organization through training, education, and development programs (Mondy and Noe, 1987: 270).

The individuals' qualities owned by employees in carrying out their work determined the

professionalism regarding the services provided to the society. Moreover, employees had a variety of goals, expectations, and needs that they wanted to achieve. The employees' success in achieving the desired goals, expectations, and needs affected the job satisfaction and employee performance on their duties as public servants. The job satisfaction was affected by the compensation because it was able to increase the employee performance, knowledge development, and personality. The job satisfaction was perceived to affect the employee performance. The job satisfaction had the emotional tendency or response to various aspects of one's work (Kreitner and Kinicki, 2001: 224). The job satisfaction was measured by the selected Minnesota Satisfaction Questionnaire (MSQ) to measure satisfaction with: recognition, compensation, and supervision.

Performance was the output generated from the function of a particular activity over a given period (Gomez, 1995: 141). In this research, the employee performance measurement referred to the type of performance appraisal that evaluates the employee performance based on the specific behavior description. Bernardin and Russel (1998: 243), Noe (2003: 336), Gomez (1995: 142) and Ivancevich (2001: 253) suggested that the criteria for employee performance assessment were: (1) Quality of work, (accuracy, skill, and work perfection); (2) Quantity of work, (the number of processed forms, the length of usable time, and the number of errors); (3) Job knowledge (the employee's understanding on the facts or factors related to the job); (4) Creativeness (the authenticity of the ideas and the actions to solve the problems); (5) Cooperation (the ability and willingness to work with co-workers, supervisors, and subordinates to achieve shared organizational goals); (6) Initiative (the seriousness in asking for responsibility, getting started, and not afraid to start); (7) Dependability (aspects of performance appraisal in which workers follow the company's guidelines and policies without supervision); and (8) Personal Qualities (personality, appearance, sociability, leadership, and integrity). Based on this background, the writers were interested to conduct the research under the title "The Effect of Human Resource Development Strategy and

Compensation on Job Satisfaction and Employee Performance in Dr. Abdul Moeloek Hospital, Bandar Lampung."

### **Formulations Of The Problem**

Based on the background of this research, the formulations of this research were that:

1. Is there a link between the human resource development and compensation in Dr. Abdul Moeloek hospital?
2. Is there any effect of the human resource development and compensation on employee job satisfaction partially in Dr. Abdul Moeloek hospital?
3. Is there any effect of the human resource development and compensation on employee job satisfaction simultaneously in Dr. Abdul Moeloek hospital?
4. Is there any effect of the job satisfaction on the employee performance in Dr. Abdul Moeloek hospital?

### **Objectives Of This Problem**

The objectives of this research were as follow:

1. To determine the correlation between human resource development and compensation.
2. To determine the effect of human resource development and compensation on the job satisfaction partially in Dr. Abdul Moeloek Hospital.
3. To determine the effect of human resource development and compensation simultaneously on the job satisfaction in Dr. Abdul Moeloek Hospital.
4. To determine the effect of job satisfaction on employee performance in Dr. Abdul Moeloek Hospital.

### **Literature Review**

Katz and Kahn (1966) say that the organizational theory is used as a grand theory because the research problems found in Dr. Abdul Moeloek hospital can be solved through the organizational theory. The organizational theory consists of 2 approaches. They are: (1)

the open system approach which means that Dr. Abdul Moeloek hospital (organization) is the open system affecting and affected by its environment; and, (2) the contingency approach which means that the form and manner of the organizational management of the Government-Owned Special Hospitals had to be fitted to the situation and condition of the existing environment.

This research uses McGregor's behavioral theory from which the middle range theories are X and Y theory because the problems in the Government-Owned Special Hospitals all over Indonesia can be solved through (a) aspects of human needs, working groups, attitudes, and the social and psychological role in the organization; and, (b) the views of leaders who believe that employees are willing to work, able to control themselves, willing to accept responsibility, imaginative and creative, and able to direct themselves in carrying out their duties.

Theories reversed in this research are the theory of Human Resource Development, Compensation Theory, Job Satisfaction, and Performance. The indicators of the human resource development refer to the statements of Werther & Davis (1996), Benardin & Russell (1998), Mondy (2002), and Mangkunegara (2000). They explain that the human resource development is the continuous effort that has been planned in an effort to improve the employees' capabilities that are very suitable in the real field conditions including (1) the career development: promotion, position transfer, office demotion, employment information, career path assessment, and achievement career; and, (2) the education and training: continuous education and training, training needs analysis, education and training suitability, implementation evaluation, technical skill effort, support facilities, employee motivation development, important topic discussion, cooperation with other agencies, training personnel competence, training implementation evaluation, on-schedule training implementation, scheduled education and training, training material database documentation, training outcome for improvement, applicable training methods, training methods for assisting the work.

The employee's compensation refers to Werther & Davis (1996), Bernardi & Russell (1998), Mondy (2002), and Mangkunegara (2000) because the direct compensation is based on critical work factors and work performance including salary (wages) and bonuses; while, the indirect compensation is given due to an employee's condition and directly related to the work performance including the social security, unemployment compensation, severance pay, insurance, pension insurance, and services.

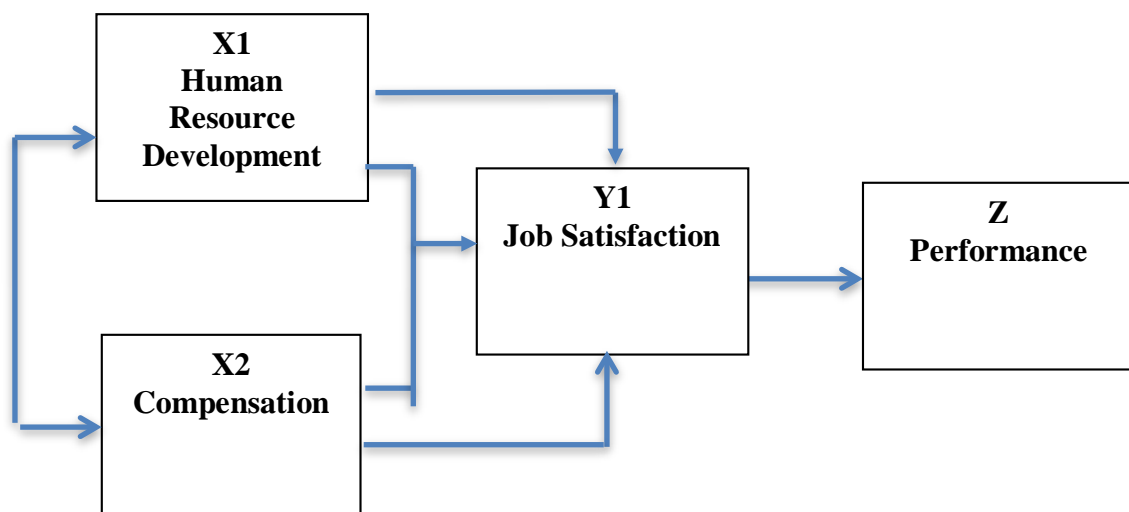
According to the *wikiapbn.org*, the remuneration is the employee benefits that may include salary, honorarium, fixed allowance, incentives, and achievement bonuses, and pensions. It is still explained that the civil servants remuneration means the employment benefits earned outside the civil servant salaries. According to presidential decree No. 22 of 1984, the salary is the expenditures used for the compensation paid to government employees in the form of the basic salary and the legal allowances which are eligible accepted by the government employees on the basis of the applicable legislation.

Theory of the job satisfaction refers to the statement of Kreitner and Kinicki (2001). It is because the job satisfaction is the most suitable response in the real conditions including: social status, relationship with supervisor, technical supervision of supervisor, values morals, security, social services, compensation, company policy and implementation, working conditions, relationships with colleagues, activities,

independence, diversities of work, authority, capacity utilization, advancement opportunities, responsibility, creativity, recognition, and achievement.

The performance appraisal approach used in this article is the judgment-performance evaluation approach used to assess the employee performance. An employee performance appraisal is performance appraisal approach based on a specific behavioral description using Gomes' dimensions (1995) including: (1) Quality of work, (accuracy, skill, and work perfection); (2) Quantity of work, (the number of processed forms, the length of usable time, and the number of errors); (3) Job knowledge (the employee's understanding on the facts or factors related to the job); (4) Creativeness (the authenticity of the ideas and the actions to solve the problems); (5) Cooperation (the ability and willingness to work with co-workers, supervisors, and subordinates to achieve shared organizational goals); (6) Initiative (the seriousness in asking for responsibility, getting started, and not afraid to start); (7) Dependability (aspects of performance appraisal in which workers follow the company's guidelines and policies without supervision); and (8) Personal Qualities (personality, appearance, sociability, leadership, and integrity).

Based on the theories above, the writers formulate the theoretical framework in the figure below.



## Figure 1. Theoretical Framework

Based on the previous descriptions and theories which focus on the strategic theories of human resource management and organizational behavior, the originality of this research is:

- 1) The job satisfaction and employee performance in Dr. Abdul Moeloek Hospital is the important factor because the special eye health service in Dr. Abdul Moeloek Hospital is very necessary for the Center of Excellent Treatment in Indonesia. However, there are several problems found i.e., lack of service and attention, low responses in

handling complaints, low knowledge and understanding in serving the customer desires showed the lack of employee performance (Said Djamaluddin, 2002: 107).

- 2) To examine the effect of the human resource development, the remuneration compensation and workload are as the independent variable; and, the job satisfaction and the employee performance are the dependent variable. Some previous studies are conducted through each

### Hypotheses

Based on the theoretical framework above, the hypothesis is:

- 3) Element partially. The compensation for companies is the key issue in the job Satisfaction (Tamara, 2003: 137).
1. There is the correlation between human resource development and compensation for employees in Dr. Abdul Moeloek Hospital.
2. There is an effect between human resources development and compensation in the job satisfaction partially Dr. Abdul Moeloek Hospital.
3. There is an effect between human resource development and compensation on job satisfaction simultaneously of Dr. Abdul Moeloek Hospital.
4. There is an effect between the job satisfaction on the employee performance Dr. Abdul Moeloek Hospital

employees from the selected respondents' opinions. The descriptive data analysis was the descriptive data which were grouped and tabulated by explanation. Moreover, the quantitative data analysis was the causal relationship analysis (effect) between the studied variables using path analysis tool (Path Analysis).

The data were collected by using a questionnaire with several items distributed to samples of a number of populations. The use of this sampling technique was intended not only to save time and cost but also to illustrate the obtained result about the nature of the population concerned. The objective of this research was the effect of human resource development and compensation on the job satisfaction and the employee performance in Dr. Abdul Moeloek Hospital.

### Operationalization Variables

The independent variables of this research were the human resource development ( $X_1$ ) and the compensation variable ( $X_2$ ). Moreover, the dependent variables of this research were job satisfaction ( $Y$ ), and employee performance ( $Z$ ) seen from the attitude and perception of every level employees in Dr. Abdul Moeloek Hospital. The research variables were defined as follows:

- 1) Human Resource Development (HRD) was the continuous planned attempt by the management to enhance

## 2. Research Method

This research used the descriptive data analysis and quantitative data. The first descriptive data analysis was conducted to find out the general description of Dr. Abdul Moeloek Hospital

employees' ability to measure and achieve organization through training, education, and development programs (R. Wayne Mondy and Robert M, Noe, III, 1987: 270). The indicators of this

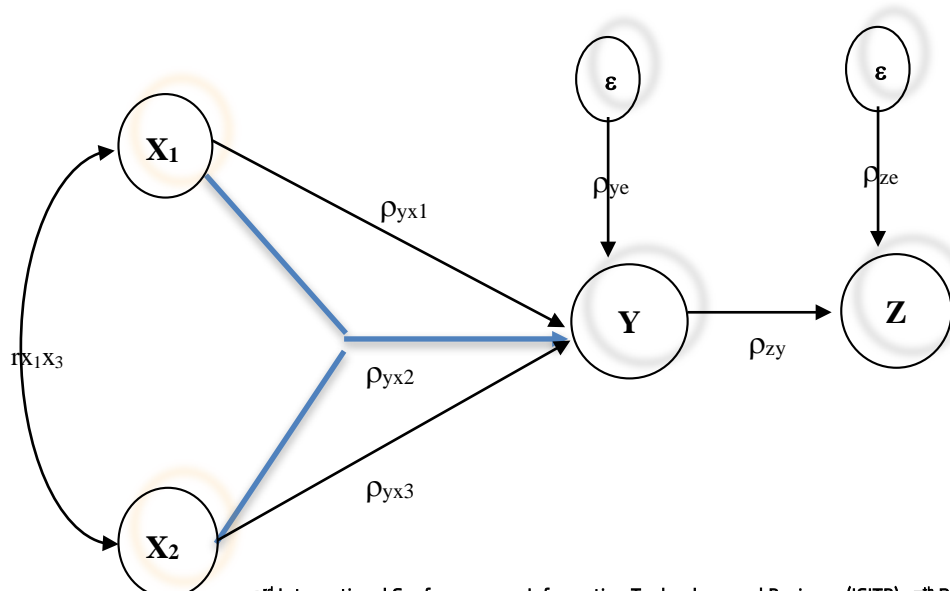
- 2) The employee compensation was a form of payment or compensation paid to employees because of the employment (Dessler, 1998: 85). The indicators of this variable were (1) direct compensation (salaries and
- 3) Performance was the output generated from a function of a particular job or activity over a given period of time. The assessment of employee performance referred to the judgment-performance evaluation approach (performance appraisal) that assessed or evaluated employee performance

variable were (1) career planning and development and (2) Education and training.

bonuses); and, (2) indirect compensation (social security, unemployment compensation, severance pay, medical benefits, pension benefits, and employee service assistance.

based on a specific behavior description (Gomez, 1995: 142). Indicators of this variable were: (1) quality of work, (2) quantity of work, (3) working knowledge, (4) Creativity, (5) Cooperation (6) Initiative, (7) Independence (8)

Sources of the data of this research were all permanent employees working in Dr. Abdul Moeloek Hospital. The employees who were studied were grouped by company. This research used survey method. Moreover, the data source used was primary data. The hypothesis test was done by musing the statistical test (Path analysis). The ordinal scale measurements must be initially grouped into intervals by the successive interval method. The hypothesis of this research was diagrammatically described as follows



**Figure 2: Structure of Effect of Human Resource ( $X_1$ ) Compensation ( $X_2$ ) on Job Satisfaction (Y) and its Effect on Employee Performance (Z)**

$X_1$	= Human Resource
$X_2$	= Compensation
$Y$	= Job Satisfaction
$Z$	= Employee Performance
$\epsilon$ (epsilon)	= Other factors affecting $Y$ outside $X_1, X_2$ and affecting $Z$ (outside $Y$ ). This epsilon was unexamined factor
$PYX_1$	= Coefficient of Effect of Variable $X_1$ on $Y$
$PYX_2$	= Coefficient of Effect of Variable $X_2$ on $Y$
$PZY$	= Effect of $Y$ on $Z$

### 3. Discussion

The setting of this research was Dr. Abdul Moeloek Hospital, Lampung. This hospital was the hospital owned by the Provincial Government of Lampung. The Dr. Abdul Moeloek Hospital is the type B Hospital with the highest preference in Lampung Province. The results of this survey showed that there were 669 functional employees consisting of different types and occupations. The table showed the type and functional area of employees in Dr. Abdul Moeloek Hospital Lampung.

**Table 1. The Number of Functional Employees Dr. Abdul Moeloek 2017 Hospital**

No	Field	Population	Sample
1	Medical Field	124	46
2	Nursing Field	358	133
3	Midwifery Field	53	20
4	Pharmatical Field	29	11
5	Nutrition Field	15	6
6	Physical Skill Field	14	5
7	Medical Engineering Field	11	4
8	Biomedical Engineering Field	16	6
9	Health Field and Others	49	18
<b>Total</b>		<b>669</b>	<b>250</b>

**Source: The Analysed Data of Dr. Abdul Moeloek Hospital**

Table 1 showed that Dr. H. Abdul Moeloek Hospital had 669 employees. The sample of this research was 250 respondents taken from

each field of work. The highest number of respondents is the nursing field and the lowest field was medical engineering.

### Hypothesis Test

**$H_1$ : There was a correlation between human resource development ( $X_1$ ) and compensasi ( $X_2$ ).**

**Table 2. Correlation Test between Human Resource Development and Compensation**

Correlations			
		Human Resource Development ( $X_1$ )	Compensation ( $X_2$ )
Human Resource	Pearson Correlation	1	,487**



Development Strategy	Sig. (2-tailed)		,000
N		250	250
Pearson Correlation		,487**	1
Compensation (X2)	Sig. (2-tailed)	,000	
N		250	250

**Source: Analysed Data in 2017**

Table 2 shows that the significant value of the correlation between Human Resource Development and compensation was 0.000. It meant that there was a correlation between Human Resource Development Strategy and compensation on the employees in Dr. Abdul Moeloek Hospital because the value was smaller than 0.05. The degree of correlation through the Pearson correlation coefficient was 0.487. It means that the large correlation between Human Resource Strategy Development and compensation was equal to 0.487 or the level of correlation between Human Resource Development Strategy and compensation was moderate.

**H<sub>2</sub> : There was an Effect of Human Resource Development (X<sub>1</sub>) and Compensation (X<sub>2</sub>) on Job Satisfaction (Y) partially.**

**Effect of Human Resources Development (X<sub>1</sub>) on the Job Satisfaction (Y).**

The result of this partial calculation of the Human Resource Development (X<sub>1</sub>) had a positive and significant effect on Job Satisfaction variable (Y) with 0.05 ( $\alpha = 5\%$ ) error rate. This was proved by the magnitude of path coefficient by 0.339 with the t count by 4.068 with probability of 0.000 ( $0.000 < 0.05$ ). The partial variable of Human Resource Development (X<sub>1</sub>) had a significant effect on the employee satisfaction (Y).

**The Effect of the Compensation (X<sub>2</sub>) on the Employee Satisfaction (Y).**

The result of partial compensation (X<sub>2</sub>) had a positive and significant effect on the job satisfaction (Y) by 0.05 ( $\alpha = 5\%$ ) error level if other variables were constant. This was proved by the amount of path coefficient by 0.400 with t<sub>value</sub> by 4.801 with 0.000 ( $0.000 < 0.05$ ) probability. The partial Compensation (X<sub>2</sub>) had a significant effect on the Employee Satisfaction (Y).

**Table 3. Result of Path Analysis of Effect of  $X_1$  and  $X_2$  on Y**

Variable	Path Coef.	$t_{hit}$	$t_{Table}$	Sig.	Conclusion
$\Delta Y X_1$	0.339	4.064	1.971	0.000	Ho was rejected
$\Delta Y X_2$	0.400	4.801	1.971	0.000	Ho was rejected

Source: The Analysed Data of Dr. Abdul Moeloek Hospital

**Table 4. R Square Value of  $X_1$  and  $X_2$  Variabel on Y.**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.638 <sup>a</sup>	.407	.397	3.92445

a. Predictors: (Constant), Compensation ( $X_2$ ), Human Resource Development ( $X_1$ )

Source: Primary Data (2017)

**Table 5. Statistics Test of Effect of  $X_1$  and  $X_2$  variabel on Y.**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	8,656	4,000		2,164	,033
Human Resource Development Strategy ( $X_1$ ).	,466	,115	,339	4,064	,000
Compensation ( $X_2$ )	,324	,067	,400	4,801	,000

a. Dependent Variable: Job Satisfaction (Y)

Source: Primary Data (2017)

**H<sub>3</sub> : There was an Effect of Human Resource Development ( $X_1$ ) and Compensation ( $X_2$ ) on Job Satisfaction Simultaneously**

simultaneously affected the employee satisfaction with 95% confidence level.

There was a significant effect between the Human Resource Development ( $X_1$ ) and Compensation ( $X_2$ ) on Employee Satisfaction variable (Y) by 0.05 ( $\alpha = 5\%$ ) the error rate if other variables were constant. It was that  $F_{value}$  by 38.509 with significance value by 0.00 and value  $F_{table}$  was 1.467. Because  $F_{count} > F_{table}$ ,  $H_0$  was rejected by 0.05 error level. The result of this research was that Human Resource development and compensation

**Table 6. Simultaneous Test of Effect of  $X_1$  and  $X_2$  variabel on Y**

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1186,188	2	593,094	38,509	,000 <sup>b</sup>

Residual	1724,942	112	15,401		
Total	2911,130	114			
a. Dependent Variable: Job Satisfaction (Y)					
b. Predictors: (Constant), Compensation (X <sub>2</sub> ), Human Resource Development Strategy (X <sub>1</sub> )					

Source: Primary Data (2017).

#### H4: There was an Effect of Satisfaction (Y) on Performance (Z)

Table 5 showed that the effect of Employee Satisfaction (Y) on the Employee Performance (Z). The result of this research showed that the Employee Satisfaction (Y) had a positive and significant effect on the Employee Performance (Z) by 0.05 ( $\alpha = 5\%$ ) error rate if other variables are constant. This was proved by the 0.778 path coefficient with a probability value by 0.000 ( $0.000 < 0.05$ ). Therefore, the Employee Satisfaction (Y) had a significant effect on the Employee Performance (Z).

**Table 7. Test of Effect of Y Variable on Z Variable**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	9,027	2,496		3,616	,000
Job Satisfaction (Y)	,793	,060	,778	13,157	,000
a. Dependent Variable: Performance (Z)					

Source: Primary Data (2017)

**Table 8. R Square Value of Y Variable on Z Variable.**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,778 <sup>a</sup>	,605	,602	3,25377
a. Predictors: (Constant), Job Satisfaction (Y)				

Source: Primary Data (2017)

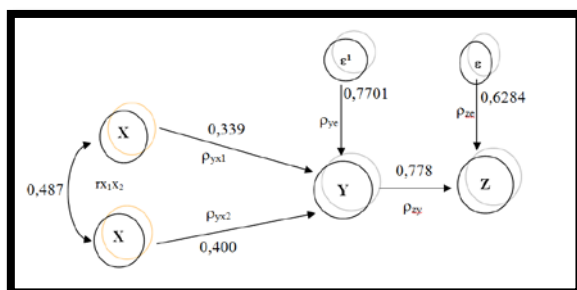
## Model Test of Path Analysis

### 1. Path Coefficient of Model I ( $X_1, X_2$ on $Y$ )

According to the path coefficients calculation, it was seen that the significant value of  $X_1$  was 0.000 and  $X_2$  was 0.000 which was less than 0.05. This result showed that that Model I (variable  $X_1$  and  $X_2$ ) had a significant effect on  $Y$ . The amount of R Square in Summary Model table was 0.407, it showed that contribution effect of  $X_1$  and  $X_2$  to  $Y$  was equal to 40.7%; while, the remaining was 59.3% consisting of other variables excluding in this study. Moreover, the value of  $e_1$  was searched by the  $\varepsilon_1 = (\sqrt{1-0.407}) = 0.7701$ . Therefore, the diagram of the path model structure was as follows:

### 2. Path Coefficient of Model II ( $Y$ on $Z$ Variable)

According to the path coefficient calculation of the Satisfaction Coefficient ( $Y$ ) on the Performance ( $Z$ ) on the table of Coefficients, it was known that the significant value was 0.000 lesser than 0.05. The result of this research showed that the Satisfaction ( $Y$ ) had a significant effect on the Performance ( $Z$ ). The R Square value in the Summary Model table was 0.605. It meant that the contribution of Satisfaction ( $Y$ ) on the Performance ( $Z$ ) was 60.5%; while, the remaining was 39.5% consisting of other variables outside the research-researched variables. The value of  $\varepsilon_2 = (\sqrt{1-0.605})$  was 0.6284. Based on the path coefficient test for model line I and path coefficient test for model II, there was the path diagram was as it was seen below.



**Figure 3. Path Diagram ( $X_1, X_2$  on  $Y$  and its effect on  $Z$ )**

## Result

### 1. Effect of Human Resource Development on Job Satisfaction

The result of the effect between the development of human resources ( $X_1$ ) on the employee satisfaction ( $Y$ ) was formulated through  $Y = 0.339 X_1 + \varepsilon_1$ . It meant that the better leadership increased the employee satisfaction in Abdul Moeloek Hospital. The result of this test between Human Resource Development ( $X_1$ ) on the job satisfaction ( $Y$ ) through path coefficient by 0.339 showed that t count was 4.064 with the significant level by 0.05. T table value was 1.971, then  $H_0$  was rejected. Thus, it was concluded that the development of human resources ( $X_1$ ) had an influence on employee satisfaction ( $Y$ ).

The development of human resources greatly affected the organizational efficiency. The company goals were achieved if the employees were properly developed. Employees became harder at work and strived to achieve high levels of achievement. The development of resources was that the investment providing the assurance for employees who were more competent.

### 2. Effect of Compensation on Job Satisfaction

The result of this test showed that the effect between the compensation ( $X_2$ ) on the job satisfaction ( $Y$ ) was formulated in the path equation as follows:  $Y = 0.400 X_1 + \varepsilon_1$ .

An equation of the path above, it explained that the better compensation was received, the more increasing the job satisfaction was in Abdul Moeloek Hospital. The result of this test between compensation ( $X_2$ ) on the job satisfaction ( $Y$ ) with path coefficient by 0.400 showed that t count was 4.801 with significance level by 0.05. Therefore, t table value was 1.971,  $H_0$  was rejected. It WAS concluded that the compensation ( $X_2$ ) had an effect on the job satisfaction ( $Y$ ).

Compensation is one of the factors affecting the job satisfaction. Each organization should strive to improve job satisfaction by providing a fair and competitive compensation program. Madura (2001) said that factors affecting the job satisfaction include fair and decent compensation program, job security, flexible work schedule, and employee engagement program. Satisfaction on compensation was determined by equity compensation,

compensation rates, and compensation administration practices. Satisfaction on compensation was also related to employee turnover and absenteeism.

Therefore, it showed that the compensation increased the job satisfaction. Compensation was the reward for the success of a person who demonstrated a high performance in fulfilling their duties in their current occupation and position and in acknowledging his potential ability in occupying a higher position in an organization.

### 3. Effect of Human Resource and Compensation on Job Satisfaction

The result of F test between compensation ( $X_1$ ) and leadership ( $X_2$ ) on the employee satisfaction ( $Y$ ) was formulated in the path equation as follows:  $Y = 0.339 X_1 + 0.400 X_2 + \varepsilon_1$ .

Based on the test results it was concluded that the Human Resource Development and compensation simultaneously affected the job satisfaction in Dr. Abdul Moeloek Hospital Bandar Lampung with the significant level by 95%.

### 4. Effect of Compensation and Leadership on Job Satisfaction and its Effect on Employee Performance

The degree of association or path coefficient of the employee satisfaction on the employee performance was by 0.778. The path equation was as follows:

$$Z = 0.778 Y + \varepsilon_2$$

$Y$  = Job Satisfaction

$Z$  = Employee Performance

$\varepsilon_2$  = Other Variables besides Job Satisfaction

The effect of the job satisfaction on the employee performance in Dr. Abdul Moeloek Hospital Bandar Lampung was 77.8%; while,

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the effect of the job satisfaction on the employee performance was 22.2%.

It was seen that the human resource development and compensation had a significant effect on the job satisfaction. Furthermore, the job satisfaction had a positive impact on the employee performance so that it was clear that the job satisfaction and employee performance could increase on condition that human resource development and good compensation.

### 4. Conclusion

The result of this research is that this research supports the proposed hypothesis such as:

1. There is a correlation between human resource development and compensation on employees in Dr. Abdul Moeloek Hospital.
2. There is a positive effect between human resource development and compensation on the employee satisfaction partially in Dr. Abdul Moeloek Hospital.
3. There is an effect of human resource development and compensation on the job satisfaction simultaneously in Dr. Abdul Moeloek Hospital.
4. There is an effect of the job satisfaction on the employee performance in Dr. Abdul Moeloek Hospital..
- 5.

### Suggestion

There were several suggestions as follow:

1. The development of employees should be done continuously regarding the needs of employees.
2. This compensation is the remuneration improving the job satisfaction and employee performance so that it must be kept.

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