

Analysis of the Influence of Contract Work Systems, Work Motivation and Compensation on Employee Performance

(Study on Contract Employees of the Directorate of Human Resources, Prof. Dr. R. D. Kandou Hospital Manado)

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ABSTRACT: This study aims to analyze the effect of the Contract Work System, Work Motivation, and Compensation on Employee Performance, simultaneously or partially. The population in this study were all contract workers at Prof. Dr. R. D. Kandou Hospital Manado, totaling 152 people, with the amount of data analyzed as many as 75 respondents. The sampling technique used is census. Methods of data collection using questionnaires and documentation. While the data analysis technique to test the hypothesis is multiple linear regression analysis. Based on data analysis, the results of the study indicate that there is a simultaneous effect of Contract Work System, Work Motivation, Compensation, on the Employee Performance variable with an F number of 28,772 and a significance level (probability number) of 0.000. Partially the Contract Work System has a tcount of 2,048 with a significance of 0.044. Because the probability value (sig) $t < 5\%$ ($0.044 < 0.05$) then the Employment Contract Work System has a positive and significant effect on the Employee Performance variable. Work Motivation has a tcount of 2,317 with a significance of 0.023. Because the probability value (sig) $t < 5\%$ ($0.023 < 0.05$) then Work Motivation has a significant positive effect on the Employee Performance variable. Compensation has a t count of 4.888 with a significance of 0.000. Because the probability value (sig) $t < 5\%$ ($0.000 < 0.05$) then compensation has a significant positive effect on employee performance.

KEYWORDS: contract work systems, motivation, compensation, employee performance

INTRODUCTION

In this era of globalization, Indonesia as an example of a developing country will face formidable challenges. This happens because in this era developing countries are dealing directly with developed countries which have advantages in almost all aspects. Human resources are seen as very important organizational assets, because humans are dynamic resources and are always needed in the process of producing goods and services. Given that the human factor is very much needed in a company, a management science that studies employment or staffing problems is called Human Resource Management which has an impact on the high standards for becoming an employee and the high unemployment rate contributes to the increasingly fierce job competition in various companies.

The amount of supply of labor and the amount of demand for labor that is not balanced makes the company free to choose and sort and even replace workers. This makes competition between employees so that employees forget the fair rights that must be obtained in order to get a job. Simultaneously, the Manpower Act (UUK) was introduced which deals with contract work. After the enactment of Law No. 13 of 2003, many companies implemented a contract work system in their respective companies. After the existence of the labor law (UUK), many companies in Indonesia use the contract work system for various reasons, one of which is to be able to increase company productivity, and to be able to improve company performance effectively and efficiently by employing as few employees as possible to contribute as much as possible. Furthermore, in improving the performance of its employees, the company usually does several ways that can encourage employees to work optimally. Some of these activities include providing training, providing compensation, giving awards and so on. These activities will be closely related to the provision of compensation. Satisfaction with compensation can affect employee behavior to work more enthusiastically and spur high performance (Handoko and As'ad, 2012). If the compensation given is appropriate, employees are more satisfied and motivated to achieve organizational goals. As Simamora (2015). The company is in an effort to move its employees to want to work more productively in accordance with the company's goals that have been set. This is where the role of motivation becomes important. Motivation can be seen as a change in energy in a person which is characterized by the emergence of feelings, and is preceded by a response to the existence of a goal. Motivation is the basic drive that moves someone or the desire to devote all energy because of a goal. As stated by Mangkunegara (2017) motivation is a condition or energy that moves employees who are directed or focused on achieving the company's organizational goals. The positive mental attitude of employees towards the work situation strengthens their work motivation to achieve maximum performance. Three elements are the key to motivation, namely effort, organizational goals, and needs. So motivation in this case is actually a response to an action. Motivation arises from within humans because of the encouragement by the existence of an element of purpose. Based on the description above, the researchers focused on the performance of contract employees at the Central General Hospital, Prof. Dr. R.D. Kandou Manado. Based on interviews that have been conducted by researchers, there are problems regarding employee performance that has not been maximally achieved, another problem felt by employees is regarding the provision of compensation. The compensation system carried out still has problems, namely the amount of compensation given to employees according to existing employees is not sufficient for the needs of these employees. Besides, it is not in accordance with the workload received. From these interviews, information was obtained about other problems, namely work motivation which resulted in less than optimal employees in doing their jobs. The problem can be seen from the high workload, but not balanced with rewards that suit the needs of employees. From the description of the background above, the

title of this research is the Effect of Contract Work System, Work Motivation, Compensation and on Employee Performance. RSUP Prof. Dr. R.D. Kandou Manado.

1.2 Problem Formulation

1. Is there a simultaneous influence of the contract work system, motivation and compensation on the performance of the staff of Prof. RSUP. Dr. R. D. Kandou Manado?
2. Is there a partial effect of the contract work system on the performance of the staff of RSUP Prof. Dr. R. D. Kandou Manado?
3. Is there a partial effect of work motivation on the performance of the staff of Prof. RSUP. Dr. R. D. Kandou Manado?
4. Is there a partial effect of compensation on the performance of the staff of RSUP Prof. Dr. R. D. Kandou Manado?

The objectives of this study are:

1. To determine the simultaneous effect of the contract work system, motivation and compensation on the performance of the staff of Prof. RSUP. Dr. R. D. Kandou Manado?
2. To find out the partial effect of the contract work system on the performance of the staff of Prof. RSUP. Dr. R. D. Kandou Manado?
3. To determine the partial effect of work motivation on the performance of the staff of Prof. RSUP. Dr. R. D. Kandou Manado?
4. To find out the partial effect of compensation on the performance of the staff of Prof. RSUP. Dr. R. D. Kandou Manado?

RESEARCH METHODS

This study uses quantitative research methods that emphasize the analysis of numerical data (numbers) processed by statistical methods. Quantitative research works with numbers, the data of which are numbers (scores or scores, sets, or frequencies), which are analyzed using statistics to answer specific research questions or hypotheses and predict other variables. In other words, this research is an associative study which aims to determine the effect or relationship between two or more variables. This research can build a theory that can function to explain, predict and control a symptom and can be done to test hypotheses with inferential statistics.

2.1 Data Collection Techniques

There are two data collection methods used in this study where all the required data were collected

- A. Field research (field research method) is by distributing questionnaires to all respondents who are the object of research.
- B. Data collection is also carried out by the literature study method, namely data collection by conducting study studies of books, literature, notes, and reports that are related to the problem being solved.

According to Sugiyono (2014) population is a generalization area consisting of objects / subjects that have certain qualities and characteristics that are determined by researchers to study and draw conclusions. The population in this study were all employees on Contract Employees of the Directorate of Human Resources, Prof. Dr. R. D. Kandou Hospital Manado)

totaling 152 people, with the amount of data analyzed as many as 75 respondents. The sampling technique used is census. A census is a way of collecting data from a population by taking all members of that population for data.

RESULTS

Validity test

Sugiyono (2010), the results of research are valid if there is a similarity between the collected data and the actual data that occurs on the object of research. Valid or not, an instrument can be determined by comparing the Pearson moment correlation index with a significant level of 5%. If the significance of the correlation results is less than 0.05 (5%) then it is declared valid and vice versa is declared invalid.

Table 1 Results of the Research Instrument Validity test

Variabel	Item	r (Korelasi)	signifikansi	Keterangan
Contract Work System (X1)	X1.1	0,690	0,000	Valid
	X1.2	0,586	0,000	Valid
	X1.3	0,724	0,000	Valid
	X1.4	0,677	0,000	Valid
	X1.5	0,766	0,000	Valid
Work Motivation (X2)	X2.1	0,738	0,000	Valid
	X2.2	0,677	0,000	Valid
	X2.3	0,749	0,000	Valid
	X2.4	0,482	0,000	Valid
	X2.5	0,627	0,000	Valid
Compensation (X3)	X3.1	0,802	0,000	Valid
	X3.2	0,785	0,000	Valid
	X3.3	0,835	0,000	Valid
	X3.4	0,742	0,000	Valid
	X3.5	0,645	0,000	Valid
Employee Performance (Y)	Y.1	0,758	0,000	Valid
	Y.2	0,552	0,000	Valid
	Y.3	0,786	0,000	Valid
	Y.4	0,823	0,000	Valid
	Y.5	0,794	0,000	Valid

Source: primary data (processed), februari 2020

From the results of the validity test in the table above, it can be seen that all items are valid because they have a significance value below 0.05 and the calculated r value is greater than the r table value.

Reliability test

Arikunto 2010, an instrument can be said to be reliable (reliable) if it has a reliability coefficient of 0.6 or more. The reliability coefficient is obtained using the Alpha Cronbach formula. If negligence is less than 0.6 then it is declared unreliable and vice versa.

Table 2 Results of the Research Instrument Reliability Test

No	Variabel	Alpha Cronbach
1.	Contract Work System (X1)	0,722
2.	Work Motivation (X2)	0,674
3.	Compensation (X3)	0,814
4.	Employee Performance (Y)	0,790

Source: primary data (processed), februari 2020

From the results of the reliability test in the table above, it can be seen that all variables have a Cronbach Alpha value above 0.6. Thus, all variable items are realistic.

Multiple Linear Regression Test Results

The results of multiple linear regression analysis are shown in table 3 below:

Variabel	B	t	Sig t	Keterangan
Contract Work System (X1)	0.195	2,048	0,044	Signifikan
(Y) Kinerja Pegawai Work Motivation (X2)	0.191	2,317	0,023	Signifikan
Compensation (X3)	0.440	4,888	0,000	Signifikan
Konstanta = 4,088				

Based on table 5.25 above, it can be concluded that:

- A. Regression Equation: $Y = 4.088 + 0.195 (X1) + 0.191 (X2) + 0.440(X3) + e$ The constant value of the regression equation above is 4.088. This value indicates that if the Contract Work System Variable (X1), Work Motivation Variable (X2), and Compensation Variable (X3) are constant or $X = 0$, then the employee's performance will be worth = 4,088.
- B. The Contract Work System variable (X1) shows a coefficient value of 0.195, this means that if there is an increase in the Contract Work System (X1) by 1%, the employee performance variable (Y) will also increase by 0.195 assuming the other independent variables are considered constant.
- C. The Work Motivation Variable (X2) shows a coefficient value of 0.191, this means that if there is an increase in the Work Motivation Variable (X2) by 1%, the employee performance variable will also increase by 0.191 assuming the other independent variables are considered constant.
- D. The compensation variable (X3) shows a coefficient value of 0.440, this means that if there is an increase in the compensation variable by 1%, the employee performance variable will also increase by 0.440 assuming the other independent variables are considered constant.

Hypothesis Testing

1. Simultaneous hypothesis testing (F test)

This simultaneous test (F test) is used to see whether the independent variables, namely Contract Work System (X1), Work Motivation (X2), Compensation (X3), together have a positive and significant effect on the dependent variable, namely Employee Performance (Y).. The following is a table showing the results of the simultaneous hypothesis test (Test F):

Analysis of Variance (ANOVA)**ANOVA^a**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	268,386	3	89,462	28,772	,000 ^b
	Residual	220,760	71	3,109		
	Total	489,147	74			

a. Dependent Variable: KINERJA PEGAWAI

b. Predictors: (Constant), KOMPENSASI, SISTEM KERJA KONTRAK, MOTIVASI KERJA

Above shows the magnitude of the probability or significance number in the ANOVA calculation used for the feasibility test of the regression model, provided that the probability as a reference is below 0.05. Furthermore, in the table above, the ANOVA test produces an F number of 28,772 with a significance level (probability number) of 0.000. Because the probability number is < 0.05, this regression model is feasible to be used in predicting the dependent variable which in this study is Employee Performance. Thus the hypothesis which states that there is a simultaneous effect of the Contract Work System (X1), Work Motivation (X2), Compensation (X3), together have a significant influence on the Employee Performance variable (Y) is accepted.

2. Partial Hypothesis Test (t Test)

To determine the effect of the independent variables partially on the dependent variable, the t test was used. If the value of $t < t_{1-\alpha, (n-2)}$ or $p > 0.05$, then H_0 is accepted and H_a is rejected.

The results of the analysis for the tcount show that: - Contract Work System Variable (X1) tcount value of 2,048 with a probability of 0,044. Because the probability value (sig) $t < 5\%$ ($0.044 < 0.05$) then partially the Employment Contract Work System variable (X1) has a positive and significant effect on the Employee Performance variable (Y) if the other independent variables remain in value. Thus the hypothesis which states that there is a positive and significant effect of the Contract Work System variable (X1) on the Employee Performance variable (Y) is accepted. - Work Motivation Variable (X2) has a tcount value of 2,317 with a probability of 0.023. Because the probability value (sig) $t < 5\%$ ($0.023 < 0.05$), partially the Work Motivation variable (X2) has a significant positive effect on the Employee Performance variable (Y) if the other independent variables remain in value. Thus the hypothesis which states that there is a positive and significant influence on the Work Motivation variable (X2) on the Employee Performance variable (Y) is accepted. - Compensation variable (X3) tcount value of 4.888 with a probability of 0.000. Because the probability value (sig) $t < 5\%$ ($0.000 < 0.05$) then partially the Compensation variable (X3) has a significant positive effect on the Employee Performance variable (Y) if the other independent variables remain in value. Thus the hypothesis which states that there is a positive and significant effect of the Compensation variable (X3) on the Employee Performance variable (Y) is accepted.

DISCUSSION**Contract Work System on Employee Performance**

Based on the results of hypothesis testing, partial results of the Employment Contract Work System have a positive and significant effect on employee performance variables. This means that the better the contract work system is carried out, the better the performance of the employees produced. The

results of this study are in accordance with research conducted by Junianto and Sabtohadhi (2020), Dunggio and Basri (2019), Januar, Syahrums, and M. Aziz (2018) and Nugraha, Hakam, and Susilo (2017) who found a significant effect on the contract system. work with employee performance. This means that the status of workers with a contract system has an influence on their performance. Meanwhile, research conducted by Hendrajana and Desak (2017) found evidence that there was a significant negative effect of worker status on employee performance. This means that the higher the difference in employee status will also have an impact on the level of employee performance. In a recruitment selection conducted by a company or organization in Indonesia, of course referring to the labor law (UUK) as well as the policies of the company/organization itself. In Law No. 13 of 2003 concerning manpower, it is explained that the recruitment of workers who are held must enter into a contract or agreement between the prospective employee and the company. With this work agreement, it is intended that prospective employees are able to work in accordance with what is expected by the company.

MAIN PART

Work Motivation on Employee Performance Based on the results of the hypothesis test, the partial results of work motivation have a significant positive effect on employee performance variables. This means that the higher the work motivation of employees, the higher the performance of employees. The results of this study are in accordance with research conducted by Arianto and Kurniawan (2020), Oktavianti (2020) which states that work motivation has a significant effect on employee performance. Motivation is a person's ability to motivate himself without requiring the help of others. A person has the ability to find reasons or impetus to act. The process of getting the impulse to act is basically a process of realizing one's own desires that are usually buried. Everyone has a desire that is an urge to act, but often that urge is weakened by external factors. The weakening of this drive can be seen from the loss of hope and helplessness. One thing that must be understood is that people want to work because they want to fulfill their needs, both conscious needs and unconscious needs, in the form of material or non-material, physical and spiritual needs. There are many kinds of motivation, such as giving a decent and fair salary, giving promotions and so on. This is so that whatever the employee's needs can be met, it is hoped that the employees can work well and feel happy with all the tasks they carry out.

Compensation for Employee Performance Based on the results of hypothesis testing, partial compensation has a significant positive effect on employee performance. This means that the better the compensation given, the higher the performance of the employee. The results of this study are in accordance with the research conducted by Gunawan et. al (2020), Amrulloh and Pramusinto (2017) who found that employee compensation and performance had a significant positive effect. Everyone basically works to earn money to meet their needs. An employee who works at a company will work hard and show more loyalty to the company to get the desired reward and that's why the company provides remuneration for the employee's performance to the company by providing compensation. One way of management to improve work performance, motivate and improve the performance of employees is through compensation. Compensation itself is defined as compensation for services or remuneration provided by the organization to workers who have contributed energy and thoughts for the progress of the organization in order to achieve the goals set. has been established. The relationship between compensation and employee performance is very close, namely a causal relationship. Therefore, according to Spencer and Spencer (1993) in Moehariono (2014) the relationship between employee compensation and performance is very close and very important, the

relevance is there and strong, even if employees want to improve performance, they should have competencies that are in accordance with their job duties.

CONCLUSION

From the results of the research and discussion in the previous chapter, it can be concluded as follows:

1. Partially, the work contract system has a positive and significant effect on employee performance variables. This means that the better the contract work system is carried out, the better the performance of the employees produced.
2. Partially, work motivation has a significant positive effect on employee performance variables. This means that the higher the work motivation of employees, the higher the performance of employees.
3. Partially compensation has a significant positive effect on employee performance. This means that the better the compensation given, the higher the performance of the employee.

SUGGESTIONS

1. It is better if the work contract system needs to be improved and improved from the current one, namely by providing more written and legal certainty because it is believed to be able to produce performance in accordance with the expected target.
2. It is better if the management must maintain the work motivation of employees, especially extrinsically related to the cooperative relationship between employees, so that cooperation between employees and harmonious relationships with superiors is established.
3. The management should be able to provide the fairest compensation to every employee, also be able to properly appreciate employees who excel and are diligent and disciplined.
4. For further researchers, it is hoped that they can continue to develop this research. This study only examines the contract work system, work motivation, and compensation in general, so it has not focused on a more in-depth object, so that researchers can add other variables such as leadership, work characteristics, organizational culture, and so on that can be used as further research from this research.

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