

The Influence of Turnover, Motivation, and Compensation on Employee Performance at Permata Hati Hospital Palangka Raya

Usup Riassy Christa

Faculty Economic and Business, University of Palangka Raya

Corresponding author: Usup Riassy Christa usupriassy.christa@feb.upr.ac.id

ARTICLE INFO

Keywords: Turnover, Motivation, Compensation, Performance, Maternity

Received : 5 May

Revised : 15 May

Accepted: 20 June

©2024 Christa: This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

Research in the field of human resource management at Permata Hati Hospital, which focuses on maternity, maternal and child services, faces challenges in maintaining performance due to employee turnover, motivation and compensation strategies. Turnover, although often seen as a detrimental factor, in certain situations can improve performance if managed well, such as by replacing employees who are unproductive or do not fit the organizational culture. However, negative impacts such as decreased morale, high costs, and operational disruption are often more dominant, especially in hospital environments that require consistency of service. Motivation and compensation are two important aspects that can improve employee performance. Increased motivation through recognition, career development opportunities, and a supportive work environment can increase employee productivity, engagement, and loyalty. Fair compensation, both financial and non-financial, also plays an important role in attracting and retaining quality employees, and encouraging them to achieve optimal performance. In the context of Permata Hati Hospital, implementing motivation and compensation strategies tailored to the specific needs of maternity hospitals, mothers and children can improve overall performance

INTRODUCTION

Problems in performance caused by turnover (employee turnover), motivation and compensation can be very complex. Here are some problems that can arise from each factor: Loss of Knowledge and Skills, every time an employee leaves the company, the company loses the knowledge and skills that the employee has built (Bhutto, 2016). This can disrupt workflow and reduce productivity. Recruitment and Training Costs, high turnover means companies must constantly recruit and train new employees, which requires significant time and costs (Molina-Azorin et al., 2021). Morale of Remaining Employees, if many colleagues leave the company, this can lower the morale of remaining employees, making them feel less stable or less appreciated. Disruption to Service Quality, high turnover can disrupt the consistency and quality of service provided to customers, which in turn can damage the company's reputation. Decreased Productivity, unmotivated employees tend to work with lower productivity, make mistakes more often, and take less initiative (Zhang & Chen, 2024).

Poor Work Quality, less motivated employees may care less about the quality of their work, which can lead to unsatisfactory work results and lower company standards. High Absenteeism, employees who are less motivated tend to be absent more often, which can disrupt work flow and increase the burden on other employees (Huo et al., 2020). Lack of Innovation, low motivation often reduces creativity and the desire to innovate, which can be detrimental to the company in the long run. Employee Dissatisfaction, if compensation is unfair or does not meet employee expectations, they can feel unappreciated, which can reduce motivation and loyalty.

High turnover, uncompetitive compensation can encourage employees to look for work elsewhere that offers better pay or benefits (Zavyalova et al., 2022). Work Imbalance: If compensation is not tied to performance, employees may not be motivated to work harder or more efficiently. Impact on Recruitment, uncompetitive compensation can also make it difficult for companies to attract quality new talent, which can ultimately affect overall performance. The combination of these factors can create a vicious cycle in which high turnover, low motivation, and inadequate compensation exacerbate each other, resulting in an overall decline in performance within the organization.

The coping strategies that have been mentioned can be applied at Permata Hati Hospital in Palangka Raya, but with some adjustments according to the specific context and needs of the hospital. The following are several steps that can be taken to maintain stable performance in hospitals:

1. Increase Retention of Medical and Non-Medical Staff

Proper Selection and Recruitment, ensure the recruitment process for doctors, nurses and other staff involves careful assessment of technical competency and fit with hospital culture. Hospital-Specific Onboarding Program: Initial briefing and training should focus on healthcare standards, safety protocols, and hospital work ethics, so new staff can adapt quickly. Career Development and Ongoing Training: Hospitals can offer regular training and career development opportunities for medical and non-medical staff to enhance

their skills and maintain their enthusiasm for continuous learning and development.

2. Increase Staff Motivation and Engagement

Fair and Competitive Compensation: Match salary and benefit scales to healthcare industry standards in the region to ensure staff satisfaction and loyalty. **Recognition and rewards,** have regular recognition programs for medical staff who demonstrate dedication and exceptional performance, such as "Employee of the Month" awards or performance-based incentives. **Work Flexibility and Work-Life Balance:** Where possible, provide flexibility in work schedules to help staff maintain a balance between work and personal life, especially for those who work shifts.

3. Overcoming Turnover and Minimizing Its Impact

Succession Planning for Key Positions: Identify and prepare potential employees to replace key positions within the medical and management team, allowing for a smoother transition in the event of staff changes. **Documentation and Knowledge Transfer:** Ensure that all medical and administrative procedures are well documented, and systematically transfer knowledge when staff changes occur. **Fast Recruitment to Fill Vacancies:** Collaboration with health education institutions or medical training centers can help speed up the process of recruiting qualified medical personnel.

4. Maintain Staff Involvement and Loyalty in the Hospital

Open and Inclusive Communication: Ensure that communication channels between hospital management and staff are always open, so that complaints and suggestions from staff can be followed up quickly. **Employee Wellness Programs:** Host well-being programs such as mental health counseling, support for work-life balance, and team activities to increase job engagement and satisfaction.

5. Analysis of the Causes of Turnover Specifically in Hospitals

In-depth Exit Interviews: Conduct comprehensive exit interviews with staff who decide to leave work at the hospital. This could provide valuable insight into the specific factors that influence turnover at Permata Hati Hospital. **Medical Staff Satisfaction Surveys:** Regularly conduct surveys to measure satisfaction levels and find out aspects that may need improvement, such as workload, work environment, or hospital policies. By implementing these strategies effectively, Permata Hati Hospital in Palangka Raya can maintain stable performance, increase staff retention, and ensure that the health services provided remain of high quality

LITERATURE REVIEW

To improve performance at Permata Hati Hospital, several relevant organizational theories can be applied. One of the prominent theories is the Open Systems Theory in organizational management, which is very relevant in the field of human resource management (HR). The following is an explanation of this theory and its relationship to HR management:

Open Systems Theory

Open Systems Theory views the organization as a system that interacts with the external environment. In the hospital context, this means that hospital performance is influenced by various external factors such as government policy, the latest medical technology, patient needs, and available human resources.

Key Principles: Interaction with the Environment: Organizations cannot operate in isolation; they must continually adapt to changes in the external environment to survive and thrive. Input, Process, Output, and Feedback: In an open system, hospitals receive inputs (such as workforce, technology, and policy), which are processed into outputs (health services), with feedback from the environment used to continually improve the system.

Relationship with Human Resources Management

In the context of HR management, Open Systems Theory emphasizes the importance of dynamic recruitment and selection, adaptation to environmental changes, human resources must be able to recruit and retain workers who not only have strong medical skills, but are also able to adapt to external changes such as technology new and health policies. In accordance with the Hospital Culture and Values, ensuring that employees recruited are in line with the organizational culture and are able to contribute positively to the work environment. Continuous Training and Development, adapting to Latest Technology and Practices: Continuous training and development ensures that medical and non-medical staff stay updated with the latest practices and evolving technology. Empowering Employees for Innovation Human Resources must create an environment where employees feel empowered to innovate and contribute to continuous improvement.

Feedback and Evaluation Systems: Use of Feedback for Improvement, open systems rely on feedback to continually improve internal processes. In hospitals, this can be implemented through systematic performance assessments and employee and patient satisfaction surveys. Openness to Change, Human Resources must encourage a culture where change and innovation are driven by feedback received, both from within (employees) and outside (patients, government). Turnover and Retention Management, translated into Human Resources Management, must have a strategy to manage turnover effectively in a way that does not disrupt hospital operations. This includes succession planning and efficient knowledge transfer (Mahdavi et al., 2023). Balance between Experience and New Ideas, managing turnover well can provide a balance between retaining experienced employees and accepting new ideas from new employees.

Motivation Theory and Employee Engagement. Apart from Open Systems Theory, motivation theories such as Herzberg's Two Factor Theory and Maslow's Needs Theory are also very relevant for Human Resources management in

hospitals. Herzberg's Two-Factor Theory: Focuses on motivational factors (such as recognition, responsibility, and development) and hygiene factors (such as pay, working conditions, and hospital policies) to increase job satisfaction and reduce turnover (Salehi, 2013). Maslow's Needs Theory: Application of this theory can help HR understand employees' basic needs and ensure that these needs are met, ranging from physical needs (fair salary) to self-actualization needs (career development and recognition).

The application of Open Systems Theory in the management organization at Permata Hati Hospital can help improve performance by ensuring that the hospital is able to adapt to changes in the external and internal environment effectively. This is also the importance of integrating HR management that is adaptive, innovative, and responsive to employee and patient needs, which will ultimately improve overall hospital performance.

METHODOLOGY

This research aims to describe and analyze the influence of turnover, motivation and compensation on employee performance at Permata Hati Hospital, Palangka Raya. The research location was carried out at Permata Hati Hospital, Jalan Beliang, Palangka Raya. The approach used in this research is quantitative descriptive, which aims to describe the characteristics of the variables studied and the relationships between these variables in the context of employee performance. The research population was all employees of Permata Hati Hospital, Palangka Raya. The sample size was 50 employees selected using stratified random sampling techniques. Sampled employees will be selected from various divisions within the hospital to ensure adequate representation from each section, including medical, administrative, and management staff.

The research instrument used in this study is a closed questionnaire which consists of several parts, namely, demographics is general information about the respondent, including age, gender, job position, and length of time working at the hospital. For Turnover, interviews were conducted regarding employee experiences with personnel changes, reasons for turnover, and their impact on daily work. In motivation-related questionnaires that measure employee motivation levels, including internal and external factors that influence their work motivation. Finally, compensation is about satisfaction with the financial and non-financial compensation received, and how this affects performance (Sukalova et al., 2022). Performance is a dependent variable to measure employee perceptions of their own and team performance in the workplace.

Data Collection was collected by distributing questionnaires directly to 50 selected employees. The questionnaire will be handed over physically and collected again after being filled in by the respondent. Researchers will also conduct open interviews with several employees to gain deeper insight into existing problems (Tiawon & Kristinae, 2021). Analysis Data obtained from the questionnaire will be analyzed descriptively using descriptive statistics such as mean, median, mode and frequency distribution. This analysis will help describe the general profile of respondents and tendencies in each variable studied (Christa & Kristinae, 2021). In addition, simple correlation analysis will be used

to see the relationship between turnover, motivation, compensation and performance.

RESULTS AND DISCUSSION

Based on the results of data analysis from questionnaires given to 50 respondents, this research measures the independent variables turnover, motivation and compensation that can influence employee performance at Permata Hati Hospital. From the data, practical recommendations will be drawn up for hospital management in order to improve employee performance through managing turnover, increasing motivation, and providing better compensation. The results state that turnover at Permata Hati Hospital, like in other organizations, can have an impact on overall performance. The following are the negative and positive impacts that may occur due to turnover:

Negative impact

Decreased Quality of Health Services, disruption in services, loss of experienced medical personnel can disrupt workflow and cause a decline in the quality of health services. New employees may need time to reach the same level of competency (Bonache & Festing, 2020), so the service provided may be less than optimal. Lack of Consistency, frequent staff changes can lead to inconsistencies in patient management, which can damage the hospital's reputation and reduce patient trust.

Increased Workload: Pressure on Remaining Employees Remaining employees may have to take over tasks from those who left, which can lead to burnout, stress, and decreased morale.

Reduced Productivity: Staff who are burdened with additional tasks tend to be less productive and more prone to making errors, which can negatively impact the quality of care and patient safety. Recruitment and Training Costs, every time there is turnover, the hospital has to incur costs to recruit and train new employees. This includes advertising costs, the selection process, and the time and resources required to train new staff.

Financial Losses: If turnover occurs in positions that are directly related to revenue (such as medical specialists), the hospital may experience a decrease in revenue due to a lack of staff capable of handling high patient volumes. Disruption to Team Collaboration, decreased synergy where turnover can disrupt the team dynamics that have been formed. New employees may need time to build good working relationships with other team members, which can hinder effective collaboration and decision making.

Positive impact

The influx of new ideas, innovation and renewal where new employees often bring new perspectives, which can encourage innovation and improvements in existing ways of working. This can be beneficial if the hospital needs an update in the approach or technology used.

Adapt to Latest Trends, new employees, especially those who have recently graduated or have experience from other institutions, may have knowledge of the latest practices and current technologies that can be applied to improve services. Increased Motivation: occasional organizational refreshes, staff

turnover can be an opportunity to refresh the organization, reduce stagnation, and increase motivation among remaining employees.

Career Development Opportunities: Turnover can open up promotion or career development opportunities for remaining employees, which can increase their loyalty and motivation. Increased Work Culture Fit, more appropriate recruitment if turnover is used as an opportunity to recruit employees who are more in line with the hospital's culture and values, this can increase harmony within the team and long-term service quality.

Overall, turnover is not always desirable and is often considered a challenge for organizations due to the negative impacts it causes, such as reduced productivity, loss of knowledge and skills, and high recruitment and training costs. However, in some situations, turnover can have a positive impact and contribute to improving organizational performance. The following is an explanation of the conditions under which turnover can improve performance, as well as its limitations:

Conditions in which turnover can improve performance, replacing unproductive or inappropriate employees. If turnover involves employees who are unproductive or do not fit the organizational culture, this turnover can pave the way for employees who are more competent and better suited to the organization's vision and mission. This can improve productivity and overall work quality. The influx of new ideas and innovation, turnover can bring in new employees with fresh perspectives and innovative ideas that can spur positive change and encourage improved performance (Carnevale & Hatak, 2020). New employees may have different experiences and knowledge that can be adopted for process or service improvements.

Improved team dynamics and motivation, sometimes, staff changes can freshen up team dynamics. Existing employees may feel more motivated when they see opportunities for promotion or greater responsibility with new employees (Hampel & Hajduova, 2023). Turnover can be a tool for renewing organizational culture, especially if the employees who leave are those who are resistant to change or renewal. Replacing them with more adaptive and innovative employees can help foster a more positive and productive organizational culture.

The limitations and challenges in improving performance through turnover, the costs associated with turnover, such as recruitment, training, and lost productivity during the transition period, can be very high. If not managed well, these costs can outweigh the potential benefits of the influx of new employees. **Risk of Decreased Morale:** Too frequent turnover can lower the morale of remaining employees, who may feel insecure or unappreciated. This can cause a decrease in overall performance if not addressed properly. **Uncertainty and Disruption,** turnover can cause uncertainty in the organization, especially if it occurs in key positions. Disruptions in workflows and relationships between employees can hamper performance, at least in the short term.

Adjustment Time, new employees need time to learn and adjust to their role and understand the dynamics of the team and organization. During this

period, performance may decline before eventually improving. Motivation and compensation are two key elements in human resource management that have a significant impact on employee performance. Implementing the right strategy in this case can improve performance at Permata Hati Hospital, which is a maternity, maternal and child hospital.

1. Impact of Motivation on Performance

Increased Productivity: Motivated employees tend to be more productive. They will work harder and more efficiently, which is important in a hospital environment where fast and accurate service is essential. **Job Engagement and Satisfaction:** Motivated employees are more engaged in their work and more satisfied with their jobs. This can result in better service for patients, which is at the heart of hospital operations. **Loyalty and Retention:** High motivation can also increase employee loyalty, reduce turnover, and retain an experienced workforce, which is important for maintaining the quality of healthcare services.

2. Impact of Compensation on Performance

Financial Compensation, competitive salaries and bonuses and fair bonuses can attract and retain quality employees. This helps ensure that hospitals are sufficiently staffed and competent to provide high-quality services. **Performance Incentives:** Providing incentives based on performance can encourage employees to work harder and achieve targets. For example, incentives for the number of successfully managed births or high levels of patient satisfaction could be important drivers. **Non-Financial Compensation:** **Recognition and Awards:** Recognition of an employee's hard work and contributions, such as "Nurse of the Month" or a similar award, can provide a significant motivation boost.

Additional Benefits: Additional benefits such as health insurance, extended maternity leave, or employee wellness programs are also forms of compensation that can increase satisfaction and loyalty.

3. Implementation at Permata Hati Hospital

At Permata Hati Hospital, motivation and compensation strategies can be adapted to the specific context of the maternity hospital, mothers and children. Here are some steps you can take: **Specialized Rewards Programs:** Establish specific awards programs for relevant service categories, such as awards for staff who provide the best care to mothers and children, or awards for outstanding performance in emergency birth situations.

Increased Employee Involvement: Involving employees in decision making regarding improving hospital services and operations. Employees who feel their opinions are valued tend to be more motivated to work hard. **Career Development and Training:** Offer professional development opportunities and specialized training for medical staff focused on maternal and child care. This not only enhances their competency but also gives them a sense of advancement in their career. **Flexibility and Work-Life Balance:** Given that the work environment in maternity hospitals can be very demanding, providing flexibility in work schedules or partial work options can be an important motivator.

Implications of the Research

Enhanced HR Management Strategies: Identifying Issues and Opportunities, this research will assist the management of Rumah Sakit Permata Hati in identifying problems related to turnover, motivation, and compensation that may impact employee performance. By understanding these factors in detail, management can develop more effective strategies for managing human resources.

Developing Appropriate Policies: The research results will provide insights into employee needs and expectations regarding compensation and motivation. This enables management to develop policies that are better aligned with employee needs, thereby improving satisfaction and productivity.

Improved Employee Performance, optimizing compensation and motivation, understanding the relationship between compensation, motivation, and performance allows Rumah Sakit Permata Hati to implement fair and effective compensation programs and motivation strategies tailored to employee needs. This will directly enhance employee performance and the quality of services provided to patients.

Reducing Turnover: By identifying the causes and impacts of turnover, management can implement measures to reduce turnover, such as improving working conditions, increasing career development opportunities, or adjusting compensation policies. **Better Quality of Healthcare Services:** Enhanced Patient Satisfaction, improved employee performance is directly related to better healthcare service quality. By increasing employee satisfaction and productivity, the hospital can provide higher quality care, enhance patient experiences, and strengthen its reputation.

Data-Driven Decision Making, evidence based information this research provides data that can be used for better managerial decision-making. Management can use this data to make more accurate and evidence-based plans rather than relying on intuition or unverified assumptions. **Benefits of the Research,** for hospital management, improved **Managerial Strategies:** Management can design and implement more effective strategies to enhance employee performance, reduce turnover, and improve motivation and compensation. **Operational Efficiency:** By addressing the issues identified through the research, management can enhance operational efficiency and reduce costs associated with turnover and training.

For Employees, better work environment employees will benefit from improved working conditions, better compensation, and motivation programs that align with their needs, leading to increased job satisfaction and reduced stress. Development opportunities, the research may identify training and development needs, providing employees with opportunities to enhance their skills and advance in their careers. For Patients, increased service quality, improved employee performance will lead to better healthcare services, potentially increasing patient satisfaction and overall health outcomes.

For Researchers and Academics, source of data and reference, this research will provide empirical data that can be used as a reference for further studies in human resource management, especially within the context of

hospitals and the healthcare sector. Overall, this study is expected to positively contribute to human resource management at Rumah Sakit Permata Hati and offer broad benefits for all stakeholders involved, from management to patients.

CONCLUSIONS AND RECOMMENDATIONS

Turnover can improve performance under certain conditions, especially if it involves replacing employees who are unproductive or not a good fit with the organization. However, for turnover to have a positive impact on performance, it is important for management to:

1. Manage the recruitment and selection process well, ensuring that new employees recruited are truly suitable and ready to make a meaningful contribution.
2. Minimize the negative impact of turnover with an effective onboarding program, maintain the morale of remaining employees, and ensure that critical knowledge is transferred properly.
3. Use turnover strategically as a tool for cultural refreshment and innovation, not as something left to happen randomly.

Ultimately, well-managed turnover can be part of a performance improvement strategy, but if not managed carefully, the negative impacts can far outweigh the benefits. Although turnover has some positive impacts, the negative impacts are generally greater, especially in the context of hospitals that rely heavily on consistency and quality of service. Therefore, managing turnover well is the key to minimizing negative impacts and maximizing potential positive impacts in maintaining and improving performance at Permata Hati Hospital. Motivation and compensation are very important in improving employee performance at Permata Hati Hospital. By implementing strategies tailored to the needs and context of the hospital, management can increase productivity, service quality and employee satisfaction, which will ultimately improve the quality of services provided to mothers and children served by the hospital.

REFERENCES

- Bhutto, S. A. (2016). Effects of Green Human Resources Management on Firm Performance: Empirical Study on Iraqi Firms. *European Journal of Business and Management*.
- Bonache, J., & Festing, M. (2020). Research paradigms in international human resource management: An epistemological systematisation of the field. *German Journal of Human Resource Management*. <https://doi.org/10.1177/2397002220909780>
- Carnevale, J. B., & Hatak, I. (2020). Employee adjustment and well-being in the era of COVID-19: Implications for human resource management. *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2020.05.037>
- Christa, U. R., & Kristinae, V. (2021). The effect of product innovation on business performance during covid 19 pandemic. *Uncertain Supply Chain Management*. <https://doi.org/10.5267/j.uscm.2020.10.006>
- Hampel, K., & Hajduova, Z. (2023). Human Resource Management as an Area of Changes in a Healthcare Institution. *Risk Management and Healthcare Policy*. <https://doi.org/10.2147/RMHP.S388185>
- Huo, W., Li, X., Zheng, M., Liu, Y., & Yan, J. (2020). Commitment to human resource management of the top management team for green creativity. *Sustainability (Switzerland)*. <https://doi.org/10.3390/su12031008>
- Mahdavi, A., Atlasi, R., Ebrahimi, M., Azimian, E., & Naemi, R. (2023). Human resource management (HRM) strategies of medical staff during the COVID-19 pandemic. *Heliyon*. <https://doi.org/10.1016/j.heliyon.2023.e20355>
- Molina-Azorin, J. F., López-Gamero, M. D., Tarí, J. J., Pereira-Moliner, J., & Pertusa-Ortega, E. M. (2021). Environmental management, human resource management and green human resource management: A literature review. *Administrative Sciences*. <https://doi.org/10.3390/ADMSCI11020048>
- Salehi, A. (2013). Strategic human resource management. *Advances in Environmental Biology*. https://doi.org/10.1007/978-1-349-27325-6_2
- Sukalova, V., Stofkova, Z., & Stofkova, J. (2022). Human Resource Management in Sustainable Development. *Sustainability (Switzerland)*. <https://doi.org/10.3390/su142114258>
- Tiawon, H., & Kristinae, V. (2021). Aktivitas Ekonomi UKM dalam Rangka Menjaga Ketahanan Pangan Masa Pandemi Covid-19 di Kalimantan Tengah. *Media Bina Ilmiah*.

Zavyalova, E., Sokolov, D., Kucherov, D., & Lisovskaya, A. (2022). The Digitalization of Human Resource Management: Present and Future. Foresight and STI Governance. <https://doi.org/10.17323/2500-2597.2022.2.42.51>

Zhang, J., & Chen, Z. (2024). Exploring Human Resource Management Digital Transformation in the Digital Age. Journal of the Knowledge Economy. <https://doi.org/10.1007/s13132-023-01214-y>