

CHAPTER I

INTRODUCTION

1.1 Background of Research

Employees play such crucial role as they contribute to how the organization will later achieve its goal. In modern human resource management, the improvement of employee's job performance is a central concern (Collings et al., 2018). As the result of recent pandemic hit back in late 2019, the current government's top priorities include support for the healthcare sector, enhance social safety, and to recover business sectors (Susilawati et al., 2020). In further, healthcare services are said to be critical to national economies. Its contribution to national development, growth, as well as stability, signals the importance of healthcare sectors (Turner, 2018). That being the case, the writer chose Rumah Sakit Umum (RSU) Royal Prima Medan at Jl. Ayahanda No 68A Medan, Sumatera Utara, Indonesia, to conduct research on employee performance. As accessed through its 2020 financial report, RSU Royal Prima Medan is also a teaching-hospital (a hospital affiliated with a medical school to provide medical students with practical knowledge) and is indeed the biggest one in Medan. RSU Royal Prima Medan holds several missions including improving the competence of human resources in accordance with the development of science and technology, as well as improving the quality of facilities/infrastructure for health, education,

and research. The writer aims to comprehend the performance of employees in the healthcare sector, intended that healthcare human resource practitioners will be able to enhance the organization's system in managing the performance of their employees.

According to Nguyen et al. (2020), employee performance is very important in an organization, since it relates highly to an organization's efforts to further achieve its goals. Pahos & Galanaki (2019) quoted that employee performance refers to actions that are measurable, behavior, and results that employee engage in or achieve which are related to the organizational goals. In this study, the authors found that employee performance was not optimal in RSU Royal Prima Medan, as can be seen through its report on Quality Improvement and Patient Safety Report where the employee's performance standard was assessed:

**Table 1.1 RSU Royal Prima Medan
Quality Improvement and Patient Safety Report**

Employee's Performance Standard	Target Rate	Result
Time efficiency of reporting critical lab test results	100%	76.90%
Waiting time efficiency of thorax photo service results	100%	92.62%
Phlebitis Incidence Rate	≤1.5%	2.56%
Patient identification accuracy	100%	100%
Effective management communication	100%	97.35%
Needle sticks accident	0 incident	5 incidents
Staff handhygiene education	100%	82.01%
VIP Room Utilization	80%	85.36%
Increased alert on drug safety	100%	81.66%
Preciseness of location, procedure, patient operation	100%	100%
Reduction of health care infections	100%	82.71%
Implementation of fall risk assessment in inpatients	100%	95.29%

Source: RSU Royal Prima Medan (2022)

The report shows that there are various inadequate employee performances that are not in accordance with the standards set by RSU Royal Prima Medan, namely:

1. The time inefficiency in reporting critical lab results refers to the staff's slow work process in reporting critical lab results, where it takes them more than 30 minutes on average to do reporting and it is in contrary with the <30 minutes standard set by the hospital.
2. The waiting time inefficiency for thorax photo results refers to the staff's slow work process in informing the patients for their thorax photo results, where the staffs kept the patients waiting for more than 3 hours on average and it is in contrary with the maximum 3 hours of patient's waiting time standard set by the hospital.
3. Phlebitis incidents refers to complications of infusion therapy due to negligence that have happened, which exceed the specified limit set by the hospital itself.
4. Ineffective communication in the management area, where the lacking communication between staffs within and interdivision are seen through several unorganized workload and slowing down of work progress that hinder the staffs to work with maximum efficiency.
5. The occurrence of unwanted needle stick accidents due the staff's non-compliance to operational standard and the use of personal protective equipment.

6. Insufficient staff hand hygiene education that refers to staff's non-compliance and lack of commitment in following hospital's procedures for the prevention and control of dangerous events.
7. Below-par achievement of increased alert on drug safety refers to where there are still high alert drugs found without a high alert label due to the staff's imprecisions and clumsiness.
8. Insufficient reduction of healthcare infection as seen through over-limit phlebitis incidents.
9. Below-target implementation of fall risk assessment of inpatients due to the staff's inaccuracy and lack of care in adjusting the position of the bed, maintaining the condition of the floor, locking the bed brake, locking the wheelchair brake, and assisting patients who need assistance to stand.

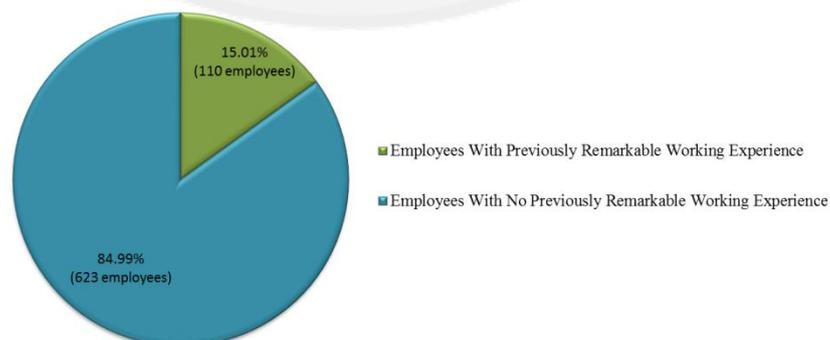
The employee performance in RSU Royal Prima Medan are still not as maximal which brings up the fact that RSU Royal Prima Medan faces problems in the employee performance.

According to Hartati (2020), competency has a positive and significant contribution to the level of employee performance. Mentioned by Arifin *et al.* (2020), competency is the ability to carry out a task based on work experience, expertise, skills, and knowledge. It is seen through the Quality Improvement and Patient Safety Report, the excessive phlebitis incidents due to negligence, occurrence of needle stick accidents, and the high alert drugs found without high alert label represent the employee's lack of competence. Besides that,

Tarigan & Setiawan (2020) stated that ability to communicate well is one of the indicator of employee competency. In this case, the problem with employee competency is also noticeable by how the effective management communication rate achieved is below the target set by RSU Royal Prima Medan. Further mentioned by one of RSU Royal Prima Medan's management staffs, the communication between division is indeed still not as proficient and some staffs need to be given continuous directions before they can take initiative to finish their tasks. It shows that there is a problem in competency, as one of the indicator of a competent employee is his or her ability to act proactively in completing tasks and communicate work matters needed with colleagues (Tarigan & Setiawan, 2020). In accordance with employee competency, it is found that in RSU Royal Prima Medan, there is only a small percentage of employees who have had previous remarkable working experience, which refers to the employee's work experience in the same field for a year or more before entering RSU Royal Prima Medan as an employee. As seen from the figure below:

Figure 1.1

RSU Royal Prima Medan Employee Previous Working Experience



Source: RSU Royal Prima Medan (2022)

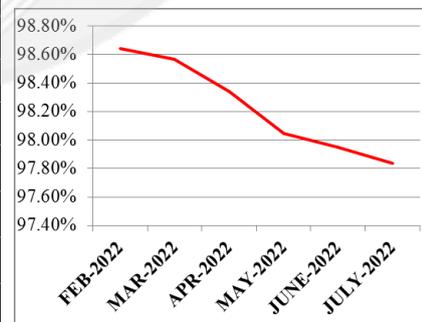
In accordance to the employee's previous working experience data retrieved from RSU Royal Prima Medan, 84.99% or as many as 623 employees are employees who previously did not have experience working in the same field when they entered RSU Royal Prima Medan as employees. Meanwhile, only 15.01% or as many as 110 employees have had experience working in the same field when they entered RSU Royal Prima Medan as employees. Additionally, retrieved from RSU Royal Prima's Yearly Report that its employees education level consist of 15% High School graduates, 57% Diploma degree holders, and only 27% are Bachelor degree holders. Stated by Basyit *et al.* (2019), level of education and work experience has influence on employee competency, whereas the higher the employee's level of education then the better competency they posses, and the more relevant their work experience is then the better competency they can have. From the following data and explanations, it can be indicated that most of the employees still do not have a relatively high competency that can support them to achieve their employee performance standard.

Besides being influenced by competency, Pancasila *et al.* (2020) mentioned that employee performance in an organization can be improved when employee motivation is enhanced, and Paais & Pattiruhu (2020) cited that motivation is crucial in order for employees to carry out the work that has been charged to them. As cited by Hanasya & Majid (2018), motivated employees/staffs will do their responsibilities in the best way that they could to perform as accordingly to the organization's goal. Meanwhile, it is found

that the staffs in RSU Royal Prima Medan are lack of motivation in performing their tasks, where it is seen that the staffs are not as compliant in working on their hand hygiene and are not as cautious and responsible in implementing adequate fall risk assessment of inpatients. The staff's non-compliance and carelessness imply their lack of responsibility, which further indicates the absence of motivation in the workplace. In further, Rudiansyah (2022) stated that, employee motivation can be indicated by their punctuality or either tardiness, that is whether or not the employees make it on time when coming to work, and can determine their performance at work. Quoted from Edward & Purba (2020), employee attendance (the rate of occurrence from work) is one of the criteria that supports employee performance. Meanwhile, it is found that employees in RSU Royal Prima have been quite tardy and their attendance have been slowly decreasing, which also supports the fact that there is a problem in employee motivation. As seen through the tables below:

Table 1.2 RSU Royal Prima Medan Employee Attendance Report

SUMMARY OF EMPLOYEE ATTENDANCE REPORT						
Month	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022
Number of Employees	906	924	876	679	679	733
Working Days	20	23	21	22	22	21
Total Sick Days	0	0	0	0	0	0
Total Permission Days	5	0	2	10	13	2
Total Absent in Days	246	304	305	292	306	333
Average Percentage of Sick Days	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Average Percentage of Permission Days	0.03%	0.00%	0.01%	0.07%	0.09%	0.01%
Average Percentage of Absent Days	1.36%	1.43%	1.66%	1.95%	2.05%	2.16%
Average Percentage of Employee Attendance	98.64%	98.57%	98.34%	98.05%	97.95%	97.84%



Source: RSU Royal Prima Medan (2022)

Table 1.3 RSU Royal Prima Medan Employee Punctuality Report

SUMMARY OF EMPLOYEE PUNCTUALITY REPORT						
Month	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022
Number of Employees	906	924	876	679	679	733
Working Hours per Month	160	184	168	176	176	168
Total Minutes of Employee Tardiness	95,068	87,870	91,089	37,455	46,269	82,696
Average Percentage of Employee Tardiness	1.09%	0.86%	1.03%	0.52%	0.65%	1.12%
Average Percentage of Employee Punctuality	98.91%	99.14%	98.97%	99.48%	99.35%	98.88%

Source: RSU Royal Prima Medan (2022)

From Table 1.2, it is seen that the rate of absent without notice that is much higher than the number of employees who could not be present at work due to illness or permission. And for the last 6 months, the rate of absent without notice has continued to increase, causing the percentage of employee attendance to decrease gradually. In February 2022, the percentage of employee attendance was 98.64%, declining consecutively by 0.07%, 0.23%, 0.29%, 0.1%, and 0.11% to 97.84% in July 2022. Table 1.3 shows that there has been an unstable employee punctuality rate in RSU Royal Prima Medan for the last 6 months. From February 2022, the employee punctuality rate was seen to almost reach a 100% rate in March and May 2022. However, the rate is left with no improvement as it proceeded to experience slight declines in June 2022 and July 2022. The declining employee attendance rate and unstable employee punctuality shows the lacking of employee motivation. This implies problem in employee performance, as the presence of good employee performance can only appear when the organization's employees are motivated (Pancasila *et al.*, 2020). Furthermore, it is to be noted that employee attendance is a criteria that supports employee performance (Edward & Purba, 2020). The conclusion can be supported as it has previously

been stated by one of the management staffs that employees are not proactive in completing their tasks, which means the employees are lack of accountability and responsibility. As stated by Nguyen *et al.* (2020), accountability and responsibility are the indicators that indicate employee motivation. On these account, the staff's lack of responsibility, cautiousness, and accountability in performing their tasks shows they are not fully committed as they are not motivated (Hanasya & Majid, 2018; Nguyen *et al.*, 2020), and therefore cause the occurrence of obstacles for themselves that they are then not able to reach employee performance standard set by RSU Royal Prima Medan.

Hence on this research, the writer selects competency as one of the independent variables, as it is said to have positive and significant contribution to the level of employee performance (Hartati, 2020), and also motivation, as motivation is crucial in order for employees to carry out the work that has been charged to them, allowing the employees to act in the direction of a particular goal (Paais & Pattiruhu, 2020). Moreover, as the writer specifically focus in healthcare sector as the subject of this research, it is to be noted that according to Turner (2018), health organizations also has an emerged demand in managerial roles, that the success of the area requires organizations to have insights into competencies, quality, motivation, and performance.

Based on the background stated above, the writer is interested in conducting a research with the title of **“The Effect of Competency and**

Motivation towards Employee's Performance in RSU Royal Prima Medan”.

1.2 Problem Limitation

To ensure that the research may result in acceptable and credible output, the writer conducts the research by stating several limitations to avoid inaccurate results. The problem limitation includes:

- 1) This research is limited to the effect of competency and motivation towards employee performance, and does not discuss the effect of other variables towards employee performance.
- 2) The primary data is collected through the questionnaires directed to the employees of the company, and the secondary data to support the research is gathered through several books and journals, as well as expert opinions to provide valid analysis on the research topic.
- 3) The research is conducted in RSU Royal Prima Medan (PT Royal Prima Tbk), at Jl. Ayahanda No 68A Medan, Sumatera Utara, Indonesia.
- 4) The respondent of this research are the employees of RSU Royal Prima Medan (PT Royal Prima Tbk), at Jl. Ayahanda No 68A Medan, Sumatera Utara, Indonesia.
- 5) The data analysis will be limited to descriptive statistics and associative quantitative method.

1.3 Problem Formulation

This research studies on the effects of Competency and Motivation on Employee Performance. Based on previous preliminary research, listed are the following questions constructed by the writer:

- 1) Does competency has effect on employee performance in RSU Royal Prima Medan?
- 2) Does motivation has effect on employee performance in RSU Royal Prima Medan?

Does competency & motivation simultaneously has effect on employee performance in RSU Royal Prima Medan?

1.4 Objective

In relation with what this research is trying to achieve, listed are the research's objectives:

- 1) To understand the effect of competency towards employee performance in RSU Royal Prima Medan;
- 2) To understand the effect of motivation towards employee performance in RSU Royal Prima Medan;
- 3) To understand the simultaneous effect of motivation & competency towards employee performance in RSU Royal Prima Medan.

1.5 Benefit of Research

This research presents the importance of knowledge on competency, motivation, and employee performance, with the purpose to give the writer opportunity to prove the impact of the knowledge on the field of research, and further contributes to the people who will benefit from it. The benefit comprises of both theoretical and practical benefit.

1.5.1 Theoretical Benefit

This research is expected to provide a wider knowledge on human resource management, specifically on employee performance, so that it can be beneficial to the concerned parties where it can be used as a reference to conduct future researches.

1.5.2 Practical Benefit

This research is expected to give a deeper understanding on the key topics of the research especially for the researcher, following that the other parties concerned and generally other university students who look to develop research on further related studies, as well as human resources practitioners who wish to apply the knowledge on the field of human resources management.