Employee Satisfaction And Performance: The Impact Analysis On Leadership, Work Motivation, Work Discipline And Compensation

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Abstract: This study aimed to examine and analyze the influence of leadership, work motivation, work discipline, compensation to job satisfaction and performance of health center staff within the area of Parepare City and Barru Regency. This study had 260 health center staffs as the samples with proportional random sampling. Then, this study applied four techniques in collecting data, i.e. field survey, observation, interview, and documentation. As the result, leadership styles, work motivation, work discipline, and compensation affected employee satisfaction. While, work motivation and work discipline affected employee performance and job satisfaction had an impact on employee performance. Yet, the variables of leadership style and compensation had no impact on employee performance.

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I. Background

The demands and necessities of community for health services prevail a health-care provider improving its human resource quality. The affirmation of human resources plays an important role to drive a health sector within a country. The human resources of health centres can show the country's community health status that can be determined into some indicators (Misnamiarti, 2010). Good quality of health care services may perform a country's good achievement of community's health condition in a country following its one of national goals. Therefore, human resources are essential to be improved through the job satisfaction and high performance (Djestawana, 2013) of employees in health centres.

Empirically, employee satisfaction and performance can be influenced by many factors, such as: leadership, work motivation, work discipline, and compensation. Clearly, leadership is a behavioral norm performed by a person who intends to influence the behavior of others (Suranta, 2002). The styles of leaderships is said appropriate if the company's goals have been communicated to subordinates; and when the subordinates accept the goals. In addition, a leader must apply particular leadership styles to manage his subordinates because the leader will greatly influence the organization's success in achieving its goals (Bambang and Wardin, 2005).

The relationship between leadership style and job satisfaction are based on path-goal theory. Therefore, the impact of leader's behavior on employee satisfaction depends on the aspects of situation, including job characteristics and employee characteristics (Yukl, 1989). In other words, job satisfaction and leadership style are the most essential elements that affect the overall effectiveness of an organization. For this, Risambessy et al. (2012) states that there is a positive impact between leadership styles on job satisfaction and employee performance. Hence, leaders who can perform appropriate leadership style will be able to satisfy their subordinates. As the result, the employees can be more active to work; in turn, the employees' performance can be developed better.

II. Theoretical Review

Leadership

Leadership is greatly required in an organization. According to Robbins (2008:93), leadership relates to things that prefaces for change. Leaders can determine policies by developing a vision for future plan and unite people by communicating the vision as well as by inspiring them to overcome obstacles. Such situation demonstrates the necessity of leadership within an organization or a company where involves differences among employees. Leadership can be obviously seen when employees can work in the office effectively. There are three aspects of leadership that is the ability to influence others, the ability to direct the behavior of subordinates or others, and to achieve certain goals.

Moreover, Dubrin (2001) argues that leadership is the ability to disseminate confidence and gain support from members of an organization to achieve organizational goals. Leaders are also required to be able to solve problems and make right and effective decisions. The relationship between leaders and employees can be
measured through the performance of leaders in directing and guiding their employees to carry out office tasks. Thoyib (2005) characterizes leaders as those who have an effort to create something new or who always have innovation. The leaders' ideas are not copied from other, but are generated from their own knowledge and understanding. Besides, leaders should encourage themselves to develop what they have done. The leaders also believe in their subordinates and keep their trust to all members of the organization. To this extent, Suhermin (2012) argues that subordinates who are trusted by the superiors for their professionalism, who have close relationships with the superiors, and who have views and thoughts aligning with the superiors, will gain confidence as well as get important work within the organization.

Work Motivation
Motivation is a driving force that makes a person more enthusiastic to work in team, to work effectively and integrally, and to gain satisfaction (Hasibuan, 2006). Motivation is also explained as the employees' attitude toward work environment of an organization. This implies that motivation is a condition that encourages employees to achieve organizational goals (Mangkunegara, 2005). Theories of motivational satisfaction address on figures within individuals that drive, direct, defend and stop to behave. The theories are explained below:

1. Maslow's Theory of Needs Hierarchy
   This theory suggests that each need has a different power in motivating someone to perform an activity. This means that one's needs are multilevel and sequential. The order is from the strongest to the weakest.

2. Theory of X and Y Gregor
   This theory describes that employees can be divided into X theorists (traditional theories) and Y theorist (democratic theory). Theory X refers to employee performance. This characterizes employees into those who dislike working, who are lazy, who responsibilities, who prefer to be guided and governed in carrying out their duties, and who tend to be selfish.

3. Theory of Herzberg
   This theory includes two factors that can provide employees' job satisfaction. The first factor is motivator factor that can motivate the factors of achievement, recognition, appreciation, responsibility work progress and developments, promotion and the work itself. These are also included as the high level of need in Maslow's theory of need. The second factor is hygiene factor that is indicated as the healthy need of work environment. Hygiene factor is in terms of wages or salaries, relationships between workers, supervision, working conditions, organizational policies, and organizational administrative processes. This factor is related to low-level needs within the theory of needs that is proposed by Maslow. In the organizational implementation, this theory emphasizes on the balance between the two factors, i.e. motivator factor and hygiene factor. Overall, if one factor is not fulfilled, the work will be ineffective and inefficient.

4. Theory of Clelland's Three Social Motives
   Clelland states that there are three main human motives for work (Robbins, 2008). The first motive relates with needs achievement that encourage oneself to excel an accomplishment based on the particular standards as well as to be success. The examples are to complete a challenging job, to win a competition, and to solve problems well. The second motive is the need for power. This makes others behave unconsciously. The examples are the power to direct employees to work without any intimidation and the power to develop an organizational policy that is done by employees. The third motive is the need for affiliation. This refers to the desire for having and making friendships and intimate relationships. Comprehensively, the theory of Clelland's social motives tends to show that human beings basically have abilities to perform and to attain a triumph beyond others' ability. Thus, an employee is considered as motivated one if he has a strong desire to perform his job better or higher rather than others for having a victory.

Work Discipline
According to Simamora (1997) discipline is a procedure that rectifies or punishes subordinates who disobey rules or procedures. Work discipline is a tool that is used by managers to communicate with employees so that they are willing to change their behavior. This is also an effort to raise awareness and willingness to comply with all corporate rules and social norms (Rivai, 2004). Moreover, discipline is identified as an awareness and willingness that a person adheres to all corporate rules and social norms (Hasibuan, 2006).

Compensation
According to Syaifullah (2005), compensation is basically divided into two major groups, i.e. based on forms and methods of giving. In regard with the forms, compensation includes financial compensation and non-financial compensation. While the methods of giving involve direct compensation and indirect compensation. Direct financial compensation consists of payments in the form of salary, wages, bonuses, or incentives. And indirect financial compensation takes a benefit covering all financial rewards covered by direct financial compensation.
Job Satisfaction

Job satisfaction is a positive emotional state as the result of self-assessment on personal work or work experience (Luthans, 2006). Job satisfaction is also a reflection of employees to their work (Umar, 2005). Job satisfaction is a common trait that generates some special attitudes toward work factors, adjustment and individual social relations (As'ad, 2001). Moreover, job satisfaction includes pleasant or unpleasant situation from the employee's perspective on a job done (Handoko, 2001). While Saranga et al. (2017) argues that employee satisfaction is better generated from individual's ability rather than from comfortable working environment. On the other hand, discipline cannot affect job satisfaction

Performance

Performance is derived from one's work achievement. According to Armstrong (1996), performance is not simply characterized as the attainment of quantified objectives, but it is a matter of what people achieve. Thus, performance is not only about the ended result, but it is also seen during performance process by looking at how to obtain the results. Furthermore, there are three main principles to attain performance that are adapted from the principles of Expectancy Theory: P = f (M x A). Performance (P) or achievement is a function (f) multiplication between Motivation (M), i.e. support and Ability (A).

Hypothesis Development

In developing research hypothesis, theoretical study was required to establish general concepts of this research. Moreover, empirical study was conducted to gain descriptions on previous research results that can be inductive and specific. Therefore, the combination of both theoretic and empirical concepts could generate proportions to develop the following hypotheses:

H1: Leadership gave an impact on employee satisfaction.
H2: Leadership gave an impact on employee performance.
H3: Work motivation had an impact on employee satisfaction.
H4: Work motivation had an impact on employee performance.
H5: Work discipline had an impact on employee satisfaction.
H6: Work discipline had an impact on employee performance.
H7: Compensation had an impact on employee satisfaction.
H8: Compensation had an impact on employee performance.
H9: Work satisfaction had an impact on employee performance.

Research Method

Population of this research were employees of health centers within area of Parepare City and Barru Regency. They were all 780 employees. This study applied proportional random sampling so the samples were considered about 260 respondents. Moreover, this study used four techniques in collecting data, i.e. field survey, observation, interview, and documentation. Field survey was conducted directly to respondent by using questioners. Observation was done with direct observation to the health centres. Interviews were done through direct face to face with participants as research resources. Last, documentation was aimed to see and review related documents of health centres in relation to the objectives of this study.

Research Results

In this study, it needs to describe the investigated staff of health centres within the area of Parepare City and Barru Regency. This includes their profiles, including sex, age, final education, and years of service. The employees of health centres who participated in this study were 81 male respondents and 179 female respondents. Hence, the majority of respondents were women with percentage of 68.8%. In addition, the participated health-care employees were primarily between 31-40 years old (about 50% of respondents) and the least frequency was between 21-30 years old (16.5% of respondents or 43 employees).

The employees of health centres in Parepare City and Barru Regency had variety in education. About 132 employees or 50.8% of respondents had Academy educational level or Diploma level. While the rest (18 employees or 6.9% of respondents) got postgraduate educational level. Furthermore, the health centre employees possessed 6-10 years of working experience. This was about 108 employees or 41.5% of respondents. Otherwise, employees with less than 1 year of working experience were 32 people or by 12.3% of respondents.
described findings of theoretical studies and empirical studies in accordance with the results of this study. He mentioned that leadership style could affect performance factors. Hence, this result was inconsistent with Risambessy's result (2012) that found leadership styles did not significantly influence the performance of the organization.

The magnitude of the coefficient on the influence of leadership style variable on employee performance was only 0.068 with p-value greater than the alpha 5%. This meant that the leadership style had no significant effect on employee performance. Hence, this result was inconsistent with Risambessy's result (2012) that found leadership factors could affect performance. Based on those arguments, this study concluded that there was a close relationship and influence between leadership factors and performance factors. The insignificant impact of leadership style on performance was expressed by Gani (2006). He indicated that leadership style did not significantly influence the performance because the leadership style attached to the leader of the organization was still rigid.

III. Discussion

This section discussed the results of data analysis that referred to the coefficient of the path (regression weight). This also tended to perform whether the hypothesis tests that had been statistically done would answer to the hypothesis. This also explained why the proposed hypothesis was accepted or rejected. Furthermore, this section described findings of theoretical studies and empirical studies in accordance with the results of this study.

The Impact of Leadership Styles on Work Performance

In this study, hypothesis testing results indicated that leadership style had no impact on performance. The magnitude of the coefficient on the influence of leadership style variable on employee performance was only 0.068 with p-value greater than the alpha 5%. This meant that the leadership style had no significant effect on employee performance. Hence, this result was inconsistent with Risambessy's result (2012) that found leadership factors could affect performance. Based on those arguments, this study concluded that there was a close relationship and influence between leadership factors and performance factors. The insignificant impact of leadership style on performance was expressed by Gani (2006). He indicated that leadership style did not significantly influence the performance because the leadership style attached to the leader of the organization was still rigid.

Table 1: Causality Test of Regression Weight

<table>
<thead>
<tr>
<th>Hyp.</th>
<th>Causality Relationships</th>
<th>Std. Estimate</th>
<th>CR</th>
<th>P-value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Leadership styles (X1) → Job satisfaction (Y1)</td>
<td>0.312</td>
<td>4.074</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>H2</td>
<td>Leadership styles (X1) → Employee Performance (Y2)</td>
<td>0.068</td>
<td>0.852</td>
<td>0.394</td>
<td>Not Significant</td>
</tr>
<tr>
<td>H3</td>
<td>Work Motivation (X2) → Job satisfaction (Y1)</td>
<td>0.357</td>
<td>4.322</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>H4</td>
<td>Work Motivation (X2) → Employee Performance (Y2)</td>
<td>0.198</td>
<td>2.163</td>
<td>0.031</td>
<td>Significant</td>
</tr>
<tr>
<td>H5</td>
<td>Work Discipline (X3) → Job satisfaction (Y1)</td>
<td>0.165</td>
<td>2.340</td>
<td>0.019</td>
<td>Significant</td>
</tr>
<tr>
<td>H6</td>
<td>Work Discipline (X3) → Employee Performance (Y2)</td>
<td>0.245</td>
<td>3.234</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>H7</td>
<td>Compensation (X4) → Job satisfaction (Y1)</td>
<td>0.284</td>
<td>3.723</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>H8</td>
<td>Compensation (X4) → Employee Performance (Y2)</td>
<td>0.068</td>
<td>0.862</td>
<td>0.389</td>
<td>Not Significant</td>
</tr>
<tr>
<td>H9</td>
<td>Job satisfaction (Y1) → Employee Performance (Y2)</td>
<td>0.245</td>
<td>2.551</td>
<td>0.011</td>
<td>Significant</td>
</tr>
</tbody>
</table>
The Impact of Work Motivation on Employee Satisfaction

In this study, the hypothesis testing result showed a significant effect of work motivation on job satisfaction. The amount of coefficient on the influence of work motivation variable to employees' job satisfaction equaled to 0.357 with p-value smaller than alpha 5%. This meant that work motivation had a significant effect to job satisfaction of employees in the health centres within Parepare City and Barru Regency. Therefore, this study argued that it needed to pay attention to employees' work motivation, especially in relation to the need for power.

This study result was consistent with Risambessy (2012). He argued that motivation was an ability in directing employees to achieve the organizational goals. In other words, the employees want to work well as what the organization expect for. So the desires of employees as well as the organizational goals can be achieved. Besides, an employee's motivation to accomplish his work can be due to his life necessity must be met. Obviously, the life necessity involves both economic and non-economic needs. The first deals with earning money, while the later relates to the need in obtaining appreciation or advanced desire. In brief, an employee is required to be more active at work; this requires high motivation to accomplish a job. This is also able to encourage someone to work harder.

The Impact of Work Motivation on Employee Performance.

In this study, the hypothesis test result indicated a significant influence of work motivation on performance. The amount of coefficient on the influence of work motivation variable on employee performance in the health centres within Parepare City and Barru Regency equaled to 0.198 with p-value smaller than alpha 5%. This meant that work motivation had a significant effect on employee performance. To generate a good employee performance, the health centres in the area of Parepare City and Barru regency also needed to pursue their employees' work motivation, especially in relation to the need for power.

Moreover, the hypothesis testing result was consistent with Mahendra and Brahmasari (2014). They found that motivation factor affected employee satisfaction and performance. The motivation factor is defined as a condition that leads a person trying to achieve the organizational goal or to achieve the self-desires. Then, Murgianto et al. (2016) stated that employees with strong motivation were able to serve other people. In turn, the higher service performance increased, the employees would feel satisfied with their jobs. Furthermore, employees who had hopes in gaining a goal, so they would motivate themselves and would try to achieve the hopes. The higher motivation would also strive people to produce higher work performance as expected by the organization. Humans were social beings who desired for a thing. What people expect can meet their needs, they do not need a motivation; however, what people expect are unmet so they need motivation. In brief, one's desire will be continuing and cannot be stopped until the goals are achieved.

The Impact of Work Discipline on Job Performance

In this study, the result of hypothesis test showed a significant effect of work discipline on job satisfaction. Then, the amount of coefficient on the influence of work discipline variable to job satisfaction of employees in the health centres within Parepare City and Barru Regency was 0.165 with p-value smaller than alpha 5%. This meant that work discipline had a significant effect on job satisfaction among the investigated employees. To generate high employee job satisfaction, the health centres within Parepare City and Barru Regency also needed to pay attention on the employees' discipline, especially in relation to conservation.

The Impact of Work Discipline on Employee Performance

The result of hypothesis testing indicated a significant influence of work discipline on performance. The amount of coefficient on the influence of work discipline variables on the performance of employees in the health centres within Parepare City and Barru Regency equalled to 0.245 with p-value smaller than alpha 5%. This meant that work discipline significantly affected the performance of employees in the health centres within Parepare City and Barru Regency. To establish the good employee performance, in the health centres within Parepare City and Barru Regency needed to pay attention on the work discipline of employees, especially in relation to conservation.

The Impact of Compensation on Job Satisfaction

The result of hypothesis testing indicated a significant influence of work discipline on performance. The amount of coefficient on the influence of compensation variable to job satisfaction of employee equaled to 0.284 with p-value smaller than alpha 5%. This meant that compensation had a significant effect to employees' job satisfaction. To generate high job satisfaction, in the health centres within Parepare City and Barru Regency had to pay attention on compensation, especially in regard with bonus award mechanism.

This hypothesis testing result was consistent with Sinollah (2011); Yaseen (2013); and Putra et al. (2014). They found that the appropriate compensation given by an organization to employees could affect its
employees' job satisfaction. Compensation is basically a reward given by an organization for services that have been accomplished by the employee at work. Therefore, this study argued that the provision of compensation within an organization had to be properly regulated so a fair compensation system could be managed in the health centres within Parepare City and Barru Regency. Besides, the amount of compensation depended on the size and energy of contribution that had been given to the health centres.

**The Impact of Compensation on Employee Performance**

In this study, the hypothesis test result showed no effect between compensation and performance. The eighth hypothesis, i.e. compensation had a significant effect on employee performance was not proven. The result was inconsistent with Fitrianasari et al. (2013) and Putra et al. (2014). They indicated that compensation was also a factor affecting performance. In particular, better compensation would encourage employees to work more productively. And well-deserved compensation could also keep employees to be employed in the organization.

Therefore, the researcher of this study assumed that socio-economic condition of community in Parepare City and Barru Regency was characterized lower to middle class. This situation influenced the participated employees requiring compensation as their goal for work, instead of their fulfilments on social interaction with coworkers, recognition and attention. Drawing from the age group, the investigated respondents were between 31 to 40 years old who might not have a well-established lifestyle. They were still in the process of maturation at work so their working goal might only be in relation to compensation. As the results, most employees in the health centres within Parepare City and Barru Regency perceived their compensation was not sufficient (average 3.66) to fulfill their needs. Such condition indicated that the basic needs of employees had not been completed well. This fact was in line with the theory of Maslow explaining that human needs were multilevel; meaning when the basic needs had been met, then the employees would try to meet further needs.

**The Impact of Job Satisfaction Employee Performance**

The results of hypothesis testing showed a significant influence of job satisfaction on performance. Then, the amount of coefficient on the influence of job satisfaction variable on employee performance in the health centres within Parepare City and Barru Regency equalled to 0.245 with p-value smaller than alpha 5%. This meant that job satisfaction had a significant effect to employee performance. To generate the good employee performance, in the health centres within Parepare City and Barru Regency needed to pay attention on the employees' job satisfaction, especially in relation to their satisfaction on payroll system.

The result was consistent with Steer and Porter (1991) who claimed job satisfaction as important because it could affect employee performance. When an employee had a high satisfaction at work, he would see his job enjoyably. Unlike others who had lower job satisfaction, they tended to view their works uninteresting and lifeless. The later showed that the employees worked under pressure. Therefore, the influence of job satisfaction on performance improvement was also found empirically by Ostroff (1992). The job satisfaction had a significant relationship with performance improvement. While other researches conducted by Ahmadi (2009), Nabiry (2010), and Murgianto et al. (2016) also found that job satisfaction had a significant relationship with employee performance.

**IV. Conclusion**

This study concluded that the leadership styles, work motivation, work discipline, and compensation affected employee satisfaction. While, work motivation and work discipline affected employee performance; and job satisfaction had an impact on employee performance. However, the variables of leadership style and compensation had no impact on employee performance.

As the results of those findings, this study recommended five propositions for the improvement of health centres. First, it needs to establish leadership styles in the health centre. In particular, the roles of superiors should be consistent in actions of leading their subordinates. The leaders' directions have to be persistent between plans and schedules so the staff or employees are able to work as the lead time that has been agreeable in the health centre. Second, it is recommended to develop employees' work motivation, especially in need of power. This relates to employees' willingness to work by maximizing their ability, to impose themselves in challenging to what they call as burden for others, to encourage themselves for accomplishing what tasks are given by their superiors, and to respect for other employees' abilities or competencies. Third, it is recommended to advance the employee disciplines, notably in conservation. This refers to the attitude of employees in respecting organizational rules as well as in preventing actions against the rules. Fourth, it needs to improve the system of compensation, especially the bonus system. This provides employees with acceptable incentive periodically so they are able to be satisfied in the workplace. Fifth, it is recommended to advance employee satisfaction. Notably, the satisfaction refers to what employees have for their income fulfillment, bonus achievement, system of allowance and commission, and salary based on work load.

Reference
