

## THE ROLE OF COMPENSATION: CASE OF FEMALE WORKERS

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**Abstract:** Organizations exist to achieve their goals. Compensation was given in trade of their efforts. However, many of the compensations given to the workers were one-sided. This could lead into unhappy workers. Female workers had a role conflict issue, as workers and as family members. The conflict made female workers unable to give their best. The aim of the present study was to re-evaluate the role of compensation as it was connected to employees' satisfaction, even their performance. We also evaluated whether the compensation might also compensate the role conflict within female workers. Data were gathered using self-administered questionnaires. Our path model explained 64.50% variance in employees' performance. Compensation played a major role in increasing job satisfaction and performance. It also helped to reduce the conflict perceived by female workers.

**Key words:** female workers, fork-family conflict, compensation, employees' performance, employees' satisfaction

DOI: 10.17512/pjms.2017.15.1.19

*Article history:*

*Received February 25, 2017; Revised April 5, 2017; Accepted June 6, 2017*

### Introduction

Globalization effect has increased people's demand on vacation. In align with that, demand in hotel industries also rises exponentially which invites many newcomers to open the hotel business. Hotel industries have become more and more competitive which press each hotel to generate more demandable service. It is arguable, not only in hotel industries but also in every profit oriented organization, that they seek the best performance ever with less resources needed. They even cut the number of human workers and shift the workload to others to reduce the cost (Caliskan, 2010). Practically, they need a 'compensation' to manage human resource effectively. In order to optimize the function and workload of human workers, each organization has to devise a better compensation system which is more attractive and fairer to employees. The system should be able to create a positive perspective, attitude, satisfaction, motivation, even stimulate their performance. Compensation given to the employees in exchange with their effort to the organization can be formed as financial or non-financial benefits.

Compensation holds a key-role to manage human resource effectively, especially in the hotel industry (Trevor, 2008). Compensation helps employees to improve themselves such as becoming more delicate, tidier, more courteous, and more sociable. These attitudes are considered as key-factors for delivering a better

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service quality for the guest. Women always have a caring characteristic which is needed in a hotel industry. However, married women always have a role in the household besides being employees in the hotel industry. Indonesian culture preaches that women have a major role in managing their household such as looking after their children and housework. Thus, female workers tend to play two major roles simultaneously which may invite a conflict, especially work-family conflict. Hotels usually operate in 24-hours a day and workers are usually divided into three shifts. A shifted employee tends to have a harder time to balance the role, as a worker and as a family member. Female workers decide to keep both of their roles even if they are troubled with the conflict as they need to support their livelihood. Their husband also permits them to work. Their salary is considered as good enough to ensure the basic living needed according to government policy. However, their transport allowance is rather insufficient so they need to cover it from their salary. Their bonus pay is given overdue even though the bonus is important enough to support their livelihood such as their children's educational needs, their nutrient needs, or the other basic needs such as neat clothes.

Many of the previous studies indicate that there is a negative relationship between work-family conflict and employees' performance (Mohsin and Zahid, 2012; Li et al., 2013). Thus, if the conflict cannot be managed well, their performance cannot be optimized. This condition is unfavorable as organizations seek for a better performance and pursue the best practice ever. They need to maximize each of employees' performance to achieve their goal.

### **Measuring Workers' Performance**

Robbins and Coutler (2012) defined that performance is related to the outcome of employees' work, both in quality and quantity, which is achieved in a certain period of time while they carry out tasks given. Job performance is considered as an outcome of individual employees' engagement while carrying out their task to contribute in organization's goal (Mafini, 2015). Employees' performance connected with their job satisfaction and many other forms of activities within organization. Mathis et al. (2014) gave an extended explanation of performance measurement which is based on (1) quantity achieved, (2) quality achieved, (3) timeliness, and (4) team effort.

### ***Review of Job Satisfaction***

Job satisfaction can be defined as a positive feeling towards the job given to employees which is resulted from their evaluation on how they perceive the work itself (Robbins and Judge, 2013). Job satisfaction can be measured through a gap between their work outcome and their expectation towards the job. They can be considered as satisfied if their actual work outcome is equal or even more than what they expect on the job, and *vice versa*.

A satisfied employee is most likely to give a better performance, such as better business senses, creativity, and their communication to others (Shmailan, 2016). A successful organization always keeps their members satisfied.

### ***Work-Family Conflict***

Greenhause and Beutell (1985) stated three forms of role conflict which are specifically in the form of work-family conflict, such as (1) time-based conflict, which happens due to a disproportion of time management for each role; (2) strain-related conflict, which happens due to a strain or problem in one role triggers misbehaviour in another role; and (3) behaviour-based conflict, which happens due to a special behaviour needed in one role creates difficulties to fulfill another role. Work-family conflict should be minimized as it may produce destructive outcome, either for their work or their family (Verma, 2013).

### ***Review of Compensation***

Dessler (2012) explained that compensation is a form of benefits which is given to employees for their effort to the organization. Compensation can be given in financial or non-financial benefits, or both of them. Usually, each employee seeks for the financial benefit to support the livelihood in addition with the non-financial benefit to support him or her more. Compensation can be viewed as risk business factor which affect employees' behavior (Trevor, 2008). Compensations were given to keep employees' behavior under control.

According to Neto et al., (2016) there are many forms of compensation system that may affect workers and their livelihood differently. Therefore, we need an effective compensation packages which are clear and unambiguous on their policies, procedures, and rules to stimulate their productivity (Kelechi et al., 2016). Compensation is also considered as a key-factor while generating job satisfaction (Akhter et al., 2016).

### **Research Methodology**

#### ***Time and Place***

This study was conducted at Sinabung Resort Hotel, Berastagi, Sumatera Utara which was favored by travellers as their place to rest and sleep overnight. We conducted the study in the end of 2016. It was considered as a peak season for hotel industries since many travellers visited the place on year-end vacation.

#### ***Population and Sample***

We used purposive sampling method in order to specifically target employees who might experience the role-conflict at work. We focused on married female workers, where in this case they had children, had worked for at least two years, and stayed with their family. A final number of 37 female workers participated on the study fulfilled all criteria given.

### *Data Gathering Method*

We administered structured questionnaires which were directly given to our respondents. The questionnaires were built based on literature study for each variable which were also customized to favor the situation at hotel industries. We also conducted interviews to human resource department and selected female workers to gather specified data.

### *Data Analysis Method*

We analyzed the data by using path analysis. We used AMOS to evaluate the path coefficient for each variable. Hypothesis testing was conducted based on the significant value for each relationship between variables.

## **Result**

### *Respondent Characteristics*

In order to understand the situation of our sample, we evaluated the respondent characteristic at Sinabung Resort Hotel. Based on our study, the female workers were on the wide-spread age range, between 20 to 45 years old. Most of them were at the age 25 to 35 years old. They commonly had 1 or 2 children. They had been working for at least five years. Their educational attainment was mostly high school degree.

### *Descriptive Statistics*

We evaluated the variable score descriptively to understand the current situation for each variable. The statistics were summarized in Table 1.

**Table 1. Descriptive statistics result**

<b>Variable</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Deviation</b>
Job Performance	2.22	3.89	3.39	0.31
Job Satisfaction	2.92	4.58	3.91	0.28
Work-Family Conflict	2.00	4.89	3.44	0.64
Compensation	2.00	4.00	3.33	0.38

Table 1 indicates that on average, the workers performance leaves a lot of spaces for an improvement as their mean score is 3.39. They commonly experience a high work-family conflict (mean =3.44). They perceive the given compensation as not good enough (mean=3.33). However, the workers are still satisfied on their work (mean=3.91).

### *Path Analysis*

Path analysis was conducted by using AMOS. The path coefficient estimate and hypothesis testing were summarized on Table 2.

Table 2. Path analysis estimate

Dependent Variable		Independent Variable	Estimate	S.E	C.R.	P	Hypothesis
Work-Family Conflict	<--	Compensation	-0.257	0.279	-0.921	0.357	Rejected
Satisfaction	<--	Compensation	0.415	0.104	4.000	***	Accepted
Satisfaction	<--	Work-Family Conflict	0.006	0.061	0.097	0.923	Rejected
Performance	<--	Compensation	0.332	0.098	3.392	***	Accepted
Performance	<--	Satisfaction	0.421	0.131	3.227	0.001	Accepted
Performance	<--	Work-Family Conflict	-0.149	0.048	-3.100	0.002	Accepted

Our full diagram can be found in Figure 1.

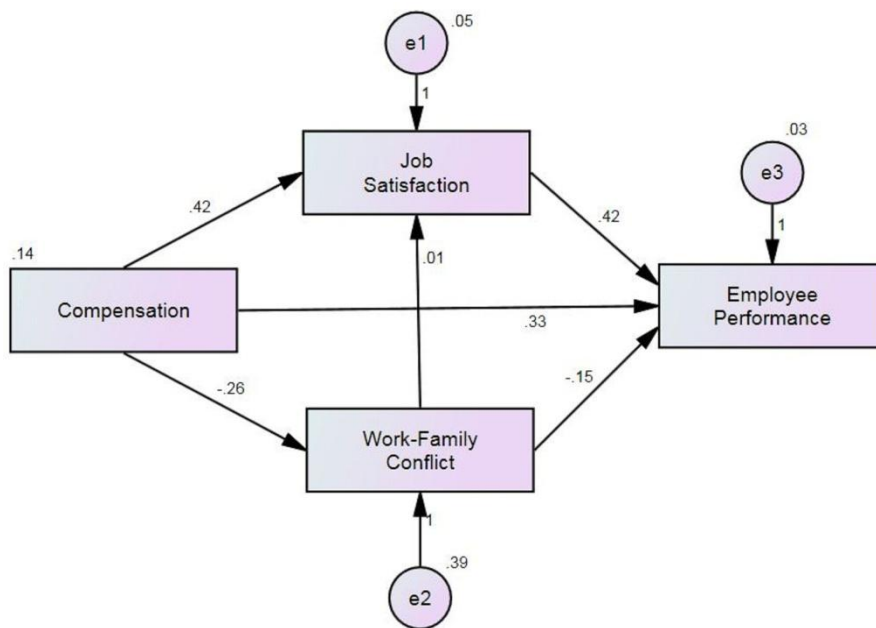


Figure 1. Unstandardized estimates value between variables

Based on our study, compensation can only explain 2.5% variance of work-family conflict. Both work-family conflict and compensation explain 41.4% variance of job satisfaction. Work-family conflict, compensation, and job satisfaction explain 64.5% variance of employees' performance.

Table 2 shows that compensation negatively affects work-family conflict. This result indicates that a given compensation may reduce their conflict experience due to the role conflict. However, the path is insignificant. Work-family conflict in essence is related to their disproportion of time and effort in conducting both roles

simultaneously. Both roles are considered important for workers. They have to work to support their family. They also have a lot of domestic works in their household. The responsibility of managing the household cannot be exchanged by the compensation alone. Thus, the effect is insignificant as they have to conduct the role no matter what circumstance is given to them.

Compensation positively and significantly affected job satisfaction and performance. The compensation might also help to improve their attitude to work which led to a better performance through satisfaction. We empirically found that work-family conflict might reduce employees' performance. However, the conflict insignificantly affected their satisfaction.

### **Discussion**

Compensation which was offered to employees negatively and insignificantly affected the role conflict. According to Ryan and Sagas (2009), compensation should reduce the role conflict significantly. Our findings slightly differed with the previous study. However, we may state that the compensation can still reduce the conflict experienced. They decide to work to support the livelihood. Compensation may reduce the burden on leaving the household for a work; however the compensation alone cannot change their mind to keep on thinking about their family at the workplace. The compensation is a trade-off between their family time and their working time.

Compensation given to the employees positively affects their satisfaction and performance. Our findings supported the previous study (Akhter et al., 2016) which also stated that compensation significantly increased employees' satisfaction. It also helped to avoid employees' misbehavior and should be considered as managing business risk (Trevor, 2008). A better compensation means a higher level of satisfaction. Compensation helps the workers to achieve their goal to support their livelihood. In exchange, they work in their better performance.

Compensation package policy is always considered as a key-factor for both employer and employees. As for employees, compensation can be the source of their financial support and their health or safety at work. Compensation can also be a foundation to give a better service quality. As for the employers, compensation can be considered as the cost which reduces their profitability. On the labour market perspective, compensation becomes a key-factor to motivate, attract, and retain an employee.

The ideal situation of compensation policy is satisfaction for both parties. However, we found out that the compensation policy was usually a one-sided attempt from the employer's perspective. The employees usually accept or leave the term. There is almost no space for a negotiation. The female workers at the hotel were considered less skilled since their educational attainment level was only on high school level. Employers rarely considered their term rationally as they wanted to cut the cost considerably.

Work-family conflict does not affect the job satisfaction on female workers. Verma (2013) described that a work-family conflict may lead to dissatisfaction at work. Our finding did not support this statement. Even if they experience a high level of conflict themselves, it is unable to affect their satisfaction at work. The work itself is considered as an obligation since they get the chance to support their livelihood as workers. They play both roles simultaneously. Even if they have a conflict, they have to execute the job properly.

Employees' performance is affected significantly by the compensation, satisfaction, and work-family conflict. The compensation given supports the workers to work more diligently which can increase their performance considerably. Kelechi et al. (2016) also found a similar result which points out that a good compensation package will generate a better employee and organizational performance. Compensation is one of the workers' goals. As they gain a better compensation, they respond by giving a better performance at work. It fits the exchange concept. As they gain a desirable compensation, they work diligently to honour the given compensation. When female workers are satisfied with their work, they also optimize their effort to reach a better performance. Happy employees lead to a better organizational performance. Satisfaction invites positive attitudes needed to perform better. Lastly, we found that work-family conflict negatively affected the performance which supported Verma's (2013) explorative study. Thus, the conflict should be managed well in order to achieve a higher performance. Conflict may lead to anxiety and several negative attitudes which worsen workers' performance.

### **Managerial Implication**

In accordance with our findings, managers had to consider a better compensation package for their employees which led to a greater performance. We suggest a clear and unambiguous compensation system. While compensation was considered as a cost, a well-generated compensation system led to a better profit. A negotiation between both parties was needed to generate a better compensation system. Each manager also had to pay attention towards employees' work-family conflict. A highly conflicted employee led to a destructive behavior which would be fatal in services industries. Thus, managers should balance their employees' work-life and family-life while considering their working shift.

### **Conclusion**

Our study showed that compensation played a major role in human resource management. Compensation might motivate, attract, and retain the existing workers. Compensation was also a considerable factor for female workers to give their best at work. A matched compensation given and the compensation expected by employees would lead to a satisfaction at work which also pushed their attitude to work even better. Compensation could also reduce the work-family conflict

even if it was insignificant due to a strong responsibility factor in managing the household. Compensation helped them to support their family needs, however they did not sell their role as a mother and a wife just for the compensation alone, which led to an insignificant result of the compensation on work-family conflict. Conflict perceived by the employees negatively affected their attitude at work and led to a lower level of performance. Thus, we suggest that compensation should be given more for the negotiation which may help to reach the satisfaction for both employers and employees. In a long term, a better compensation practically creates more benefits for employers. It is true that compensation might increase the operating cost. However, an effective compensation led to a better performance at work. Organization might generate a better income which was even better than the cost of the compensation given, especially in a service such as a hotel industry. Human played a major role on delivering services.

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### ROLA REKOMPENSATY: PRZYPADEK PRACOWNIKÓW PŁCI ŻEŃSKIEJ

**Streszczenie:** Organizacje istnieją, aby osiągać swoje cele. Rekompensata została przyznana w zamian za starania pracowników. Jednak wiele odszkodowań przyznawanych robotnikom było jednorazowych. Mogło to prowadzić do braku zmotywowania pracowników. Pracownicy dotykał problem konfliktu ról, jako pracowników i jako członków rodziny. Konflikt powodował, że pracownicy nie byli w stanie dać z siebie wszystkiego. Celem niniejszego badania było ponowne oszacowanie roli rekompensaty związanej z zadowoleniem pracowników, a nawet ich wydajnością. Oceniliśmy również, czy rekompensata może zrekompensować konflikt ról wśród pracowników płci żeńskiej. Dane zebrane zostały za pomocą samodzielnych kwestionariuszy. Nasz model ścieżki wyjaśniał wariację w wydajności pracowników na poziomie 64,50%. Rekompensata odegrała istotną rolę w zwiększaniu zadowolenia z pracy i wydajności. Pomogła również zredukować konflikt postrzegany przez pracownicy.

**Słowa kluczowe:** pracownicy płci żeńskiej, konflikt praca-rodzina, rekompensata, wydajność pracowników, satysfakcja pracowników

#### 補償的作用：女工的案例

**摘要：**為實現目標而存在組織。在他們的努力交易中給予了賠償。但是，給工人的許多補償是片面的。這可能導致不快樂的工人。女工與工作者和家庭成員有衝突問題。這場衝突使女工無法盡全力。本研究的目的是重新評估補償的作用，因為它與員工的滿意度甚至與員工的表現相關。我們還評估了補償是否也可以補償女工中的角色衝突。使用自我管理的問卷收集數據。我們的路徑模型解釋了員工績效的差異為64,50%。薪酬在提高工作滿意度和績效方面發揮了重要作用。這也有助於減少女職工的衝突。

**關鍵詞：**女工；工作家庭衝突；補償；員工績效；員工滿意度