INFLUENCE OF WORK ENVIRONMENT AND EMPLOYEE MOTIVATION ON EMPLOYEE RETENTION AT SILOAM HOSPITAL MANADO

PENGARUH LINGKUNGAN KERJA DAN MOTIVASI KARYAWAN TERHADAP RETENSI KARYAWAN DI RUMAH SAKIT SILOAM MANADO

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Abstract: Employee retention is an effort to retain employees in the organization. It refers to policies and practices that direct employees to survive in an organization for a longer period of time. Higher employee retention will affect the organization's performance in achieving the goals and mission of the organization. According to that, this research is analyzing the influence of Work Environment and Employee Motivation on Employee Retention in Siloam Hospital Manado. The samples of this research are 100 employees from 311 employees at Siloam Hospital and to analyse the sample in this research is using multiple regressions with the IBM SPSS Statistics. Based on the result of hypothesis work environment and employee motivation has a positive and significant influence on employee retention. This model applies in health organization which is Siloam Hospital Manado. Siloam Hospital Manado should improve the work environment and increase the employee motivation so the organization can retain the loyal employee. Siloam Hospital Manado should pay more attention to employee retention because the higher employee retention will affect the organization's performance in achieving the goals and mission of the organization.

Keywords: *work environment, employee motivation, employee retention*

Abstrak: *Retensi Karyawan adalah suatu upaya untuk mempertahankan karyawan dalam organisasi. Hal tersebut mengacu pada kebijakan-kebijakan dan praktik nyata yang akan mengarahkan para karyawan untuk bertahan dalam organisasi tersebut untuk jangka waktu yang panjang. Dengan Retensi Karyawan yang lebih tinggi akan berdampak juga terhadap kinerja karyawan yang secara otomatis berdampak pada performa organisasi itu sendiri dalam pencapaian tujuan dan visi misi. Berdasarkan fenomena tersebut maka, penelitian ini menganalisis tentang pengaruh Lingkungan Kerja dan Motivasi Karyawan terhadap Retensi Karyawan pada Rumah Sakit Siloam Manado. Sampel yang digunakan pada penelitian ini adalah 100 dari 311 orang karyawan di Rumah Sakit Siloam dan diolah dengan menggunakan metode multiple regression dengan IBM SPSS Statistics. Berdasarkan analisis dari hipotesis penelitian, dihasilkan bahwa Lingkungan Kerja dan Motivasi Karyawan memiliki pengaruh positif dan signifikan terhadap Retensi Karyawan. Model ini diterapkan dalam organisasi kesehatan yaitu Rumah Sakit Siloam Manado. Rumah Sakit Siloam Manado sebaiknya meningkatkan lingkungan kerja dan meningkatkan motivasi karyawan sehingga organisasi dapat mempertahankan karyawan yang setia. Rumah Sakit Siloam sebaiknya lebih memperhatikan retensi karyawan karena retensi karyawan yang lebih tinggi akan mempengaruhi kinerja organisasi dalam mencapai tujuan dan misi organisasi.*

Kata kunci: *retensi karyawan, motivasi karyawan, lingkungan kerja*

INTRODUCTION

Research Background

In the era of globalization with global economic conditions are likely to change rapidly, this is a demand that must be faced by economic actors and industry. One is the health industry. Today the potential of the healthcare industry in Indonesia is still far from saturation point. The condition is supported by more rapid economic growth than the growth of the hospital. The healthcare industry is engaged in the pharmaceutical market, medical technology and hospital services. The hospital itself is an individual health care institution that provides inpatient, outpatient, and emergency department.

Hospital managers face challenges in the future great human resources that ensure the hospital has a high-quality workforce. Obtain and retain competent employees is crucial to the success of any organization, whether a newly established organization or organizations that have been built for years. Efforts to retain employee has become a major issue in many organizations. Therefore, it is important for organization to recognize that employee retention is a concern for sustainable human resource and significant responsibilities for all supervisors and managers.

Siloam hospital Manado opened in 2012. Retaining employees is very important to not have a negative impact on patient care, standard production and profitability work that can be caused by employee turnover. This may occur due to several factors such as the impact the work environment and employee motivation. The problems that occurred in the Siloam Hospital Manado is the low retention of employees reached 9.97 percent. It shows that companies are less able to retain its employees to be more long in the company.

Siloam is a private hospital so that if an employee is on offer to become civil servants then they should leave Siloam. For that Siloam must have a strategy to retain employees. High employee motivation in the work is the key in order to remain faithful to Siloam employees, work environment as well.

Research Objectives

The objectives of this research are to identify the influence of:
1. Work Environment and Employee Motivation on Employee Retention simultaneously at Siloam Hospital.
2. Work Environment on Employee Retention partially at Siloam Hospital.
3. Employee Motivation on Employee Retention partially at Siloam Hospital.

THEORITICAL FRAMEWORK

Human Resource Management

Human Resource Management or HRM is the utilization of individuals to achieve organizational objectives (Mondy and Mondy, 2011). It is the activities that managers perform to plan for, attract, develop, and retain a workforce. Moreover, according to Boone and Kurtz (2011) Human Resource Management is the function of attracting, developing, and retaining employees who can perform the activities necessary to accomplish organizational objectives.

Human resource management is act manoeuvring the individuals, which in this case are the employee to acquire the organizational goals. Every company must have structured plan to reach those goals, one of it is organizing the employee and direct them to have the same vision with the company's vision. From those definition, it can be concluded that Human Resource Management has 4 (four) main functions, (1) Planning, (2) Attracting, (3) Developing, (4) Retaining (Maintaining). The goal of Retaining is to maintain the employees of a certain company and continue to have them as their assets, which lead us to Employee.

Employee Retention

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Even though employee retention has now become a tough task, it is beneficial for the organization as well as the employee. Employee retention is the ability of the company to retain potential employee to remain loyal to the company (Mathis and Jackson, 2006)

Retention is not only important just to reduce the turnover costs or the cost incurred by a company to recruit and train. But the need of retaining employees is more important to retain talented employees from getting poached.

Work Environment

Work environment is location where a task is completed. When pertaining to a place of employment, the work environment involves the physical geographical location as well as the immediate surroundings of the workplace, such as a construction site or office building. Work environment is social life in company that effect to the employee performing their job. According to Subaris and Haryono (2008) work environment is inseparable part of type and location where the employees are doing their daily activity and job.

Employee Motivation

Employee motivation is a critical aspect at the workplace which leads to the performance of the department and even the company. Employee motivation is the level energy, commitment, and creativity that a company's workers bring to their jobs. Motivating the employee need to be a regular routine. As Wheelhouse argues "there are some factors which are basic to the worker performance and are not effective motivators in themselves but if these factors are neglected by managers it will have negative impact on motivation".

Previous Research

Kwenin (2013) Releation between Work Environment, Career Development Oppurtunities and Employee Retention in Vodafone Ghana Limited. The issue of employee retention has generated growing interest for human resource practitioners and researchers because of the effects it has on the development and accomplishment of organization's goals and objectives. This study explores the link between work environment, career development opportunities and employee retention in Vodafone Ghana Limited.

Kassa (2015) Employee Motivation and its Effect on Employee Retention in Ambo Mineral Water Factory. In this competitive world employee play an important role in the success or failure of any organization. The importance of motivation in retaining core employees cannot be over-emphasized. Therefore, keeping the best employees continue to remain a challenge for most managers. This study is aiming at investigating employee motivation and its effect on employee retention in Ambo mineral water factory.

Faustina (2012) Impact of Motivation on Employee Retention: A Case Study of Standard Chartere Bank Ghana Limited. The retention of human resources has been shown to be momentous to the development and the accomplishment of the organizations goals and objectives. Retention of employees can be a vital source of competitive advantage for any organization. Employee departures can have a significant effect on the execution of business plans and may eventually cause a parallel decline in productivity.

Msengeti and Obwogi (2015) Effects of Pay and Work Environment on Employee Retention: A Study of Hotel Industry in Mombasa Country. Travel and Tourism Industry is one of the fastest growing industry in the world contributing a colossal US $6 trillion dollars in 2011 and creating 5 million new jobs. Hospitality sector is one of the main pillars of this industry in Kenya which has generally continued to experience phenomenal growth both in terms of revenues generated and infrastructure to support the industry.

RESEARCH METHOD

Type of Research

This research is causal research with quantitative approach. According to Brains, et al (2011), causal research is a method that investigates of research into cause and effect relationship. This research is conducted to analyse the effect of Work Environment and Employee Motivation on Employee Retention.

Place and Time of Research

This research will be conducted at Siloam Hospital Manado, North Sulawesi. The time of research will be started from September - December 2017.
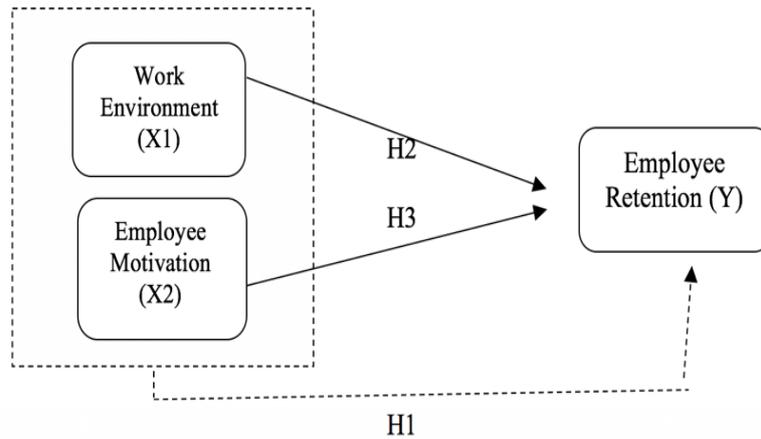
Conceptual Framework

Figure 1. Conceptual Framework
Source: Data Processed, 2018

Population and Sample

This research used population as the data sources to make an appropriate result of data. Populations in this research are 100 employee of Siloam hospital. The total employees of Siloam hospital are 311 employees.

Sample is the selected people chosen for participation in a study, people are referred to as subjects or participants and that actually possesses the same characteristic as the population. The sample in this research is consisting of 100 respondents from 311 employees at Siloam Hospital, the sampling method is purposive sampling. The purposive sampling was applied in this research regarding to obtain information according to criteria.

Data Collection Method
Primary Data and Secondary Data

Primary data is the data obtained directly from the original source. Specifically, the primary data collected by researchers to answer the research questions. The primary data of this study gets from the results of questionnaires. The questionnaires are distributed to respondents so they can respond directly on the questionnaires. In this research, the questionnaires are distributed to employee of Siloam Hospital Manado.

Secondary data collected for some purpose other than problem at hand taken from books, journals, articles, and relevant literature from library and internet.

Data Analysis Method
Validity Test and Reliability Test

To analyse the validity of questionnaire, Pearson product moment is used. An instrument measure is valid if the instrument measure is valid if the instrument measure what ought to be measured. The validity test is degree to which a test procedure accurately measures what it was designed to measure. Validity is the strength of conclusion, inferences proportions.

Reliability test is established by testing for both consistency and stability of the answer of questions. Consistency indicates how well the items measuring a concept hang together as a set. Alpha Cronbach is reliable coefficients that can indicate how good items in asset have positive correlation one another (Sekaran, 2006).

Multiple Linear Regression

Linear Regression is a statistical method used to form a model of the relationship between the dependent variable (the dependent; responses, Y) with one or more independent variables (independent, predictor, x). If the number of variable are only one, it is known as simple linear regression, whereas if there is more than one independent variable, called linear regression.

The equation model of multiple regression analysis which used in this research can formulate as shown below:

Whereas: $Y = a + b_1x_1 + b_2x_2 + e$

Y	=	Employee Retention
a	=	Intercept
$\mathbf{b_1, b_2}$	=	The regression coefficient of each variable
$\mathbf{x_1}$	=	Work Environment
$\mathbf{x_2}$	=	Employee Motivation
e	=	Error

RESULT AND DISCUSION

Result

Validity and Reliability of the Research

Validity test is aimed to test whether the question item or indicators are able to measure what is supposed to be measured. By comparing correlation index in Pearson Product Moment Correlation Coefficient to test the validity of variables, with significance level of 5% it can be seen valid or not a research instrument. If probability of correlation is less than 0.05 (5%) then the research instrument is stated as valid.

Table 1. Correlation

		Work Environment	Employee Motivation	Employee Retention	Total_X12Y
Work Environment	Pearson Correlation	1	.626**	.852**	.905**
	Sig. (2-tailed)		.000	.000	.000
	N	100	100	100	100
Employee Motivation	Pearson Correlation	.626**	1	.838**	.888**
	Sig. (2-tailed)	.000		.000	.000
	N	100	100	100	100
Employee Retention	Pearson Correlation	.852**	.838**	1	.968**
	Sig. (2-tailed)	.000	.000		.000
	N	100	100	100	100
Total_X12Y	Pearson Correlation	.905**	.888**	.968**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	100	100	100	100

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).
Source: Data Processed (2018)

From the result in table 1 it can be seen that value of correlation index for relationship among variable independents (Work Environment and Employee Motivation) with variable dependent (Employee Retention) are greater than 0.3 and below the significant level of 5% (0.05). The Correlation between work environment (0.905), employee motivation (0.888) with employee retention (0.968) show a positive relationship. Therefore, the data is considered as valid.

Reliability Test

Reliability test is to measure if one item of question was tested several times would give consistent value. Reliability analysis was using the Alpha Cronbach Analysis. Table 3 below are the result of test reliability testing research questionnaire used as guidelines to measure the level of variables in this study. According to Hartono (2012) measurements must measure actually was measured with a reliability test.

Table 2. Reliability Test Results

Variables	Coefficients	
	Alpha Cronbach	N of Items
Work Environment (X1)	0.838	10
Employee Motivation (X2)	0.706	10
Employee Retention (Y)	0.762	11

Source: Data Processed (2018)

Table 2 shows that the value of alfa Cronbach is X1 0.838, X2 0.706 and Y 0.762, which means that it is above acceptance limit of 0.6, therefore, the research instrument for relationship among the variable indicates good consistency and the data is acceptable. The interpretation of alfa Cronbach (Sekaran, 2009) is:
- < 0.6 indicates unsatisfactory internal consistency or consider that the data is unreliable
- 0.7 indicates that the data is acceptable
- > 0.8 indicates good internal consistency or consider that the data resulted is reliable.

Multiple Regression Analysis

Multiple regression analysis is a statistical method used to form a model of the relationship between the dependent variable (the dependent; responses, Y) with one or more independent variables (independent, predictor, x). The interpretation of multiple linear regression analysis is shown in table below. Recall that the multiple linear regression models is used to determine the effect of several independent variables on a dependent variable. The computation was done by using SPSS 21 software. The computerized calculation ensures the accuracy of the analysis. The result can be expressed operates as follow:

$$Y = 27.405 + 0.314X1 + 0.155X2 + e$$

Where:
- Y = Employee Retention
- X1 = Work Environment
- X2 = Employee Motivation
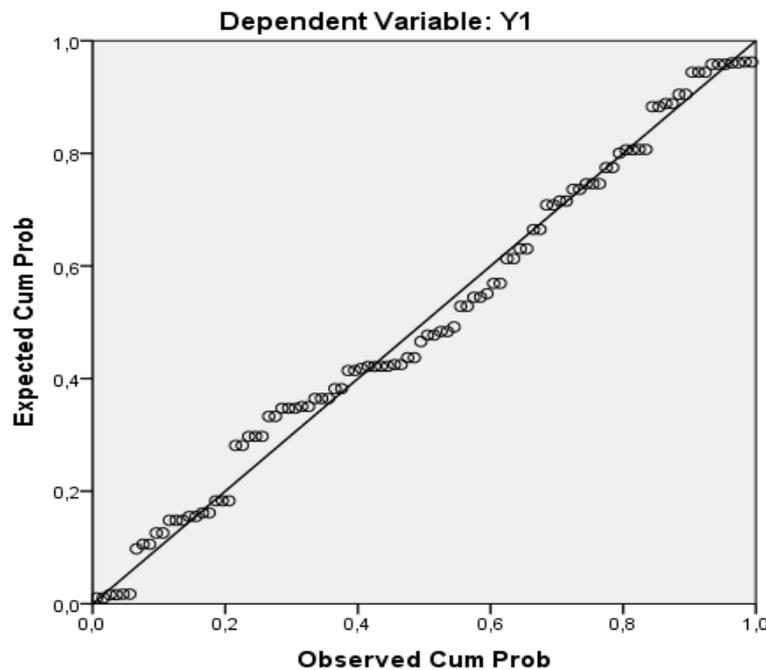- e = Error

Normality Test

Figure 2. Normality Test Output
Source: Data Processed (2018)

The figure 2 shows that the data that represented by the dots are spreading near the diagonal line and follow the direction of diagonal line. It proves that the normality test is normal.

Conducting a research of employee retention is highly interesting among the researchers. By studying employee retention and its causal factors, it is expected that a company can improve work environment and increase employee motivation in order to retain the loyal employee.

The multiple regression method, regression procedures must to divide the variable into two variables which are dependent and independent variable. To get an accurate result from Multiple Regression Method which is purpose of this research, the researcher analysed Work Environment and Employee Motivation to Employee Retention, and has selected employee retention (Y) as dependent variable to be measured by independents variable which are work environment (X1) and employee motivation (X2).

Table 4. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	27.405	5.693		4.814	.000
	Work Environment	.314	.106	.287	2.954	.000
	Employee Motivation	.155	.105	.143	2.474	.000

a. Dependent Variable: Employee Retention
Source: Data Processed (2018)

Discussion
Work Environment to Employee Retention.
The result of multiple regression analysis shows that there is a significant influence of Work Environment on Employee Retention.
Based on the coefficient result in multiple linear regression analysis, the significant of work environment is 0.00 which lower than 0.05, so the of work environment (X1) has significant influence on employee retention (Y).
Work environment includes not only the physical elements around the work area of an employee but also all things that form part of the employee's involvement with the work itself. World at work, the total reward association defines work environment as the total cluster of observable physical, psychological and behavioural elements in the workplace. A positive work environment is believed to make employees feel good about coming to work and provide the necessary motivation to sustain them throughout the day. Who stress that organizations offering suitable levels of privacy and sound controls at the work place thereby improving levels of motivation and commitment in employee have an increased ability to satisfy and retain employees. The most crucial element of any organizations total reward strategy is having a positive work environment.
These results are consistent with the study by May, Lau and Johnson (1999) which suggested that organization offering better quality work life are likely to have a leverage when hiring and retaining valuable work force. It also concurs with the influence of work-life balance on the turnover intentions of auditors, which proved that an improved work-life balance reduce intention of turnover of auditors thus improve the organizations retention ability.
This research finds that the organization which is Siloam Hospital can make work environment as one of important in predicting the employee retention. Employee productivity is depend on their work environment. Therefore, work environment need to be considered because it is their second home for the employee. With this research can be seen the employee agree that work environment has an effect on employee retention and employee agree that Siloam Hospital Manado should pay more attention about work environment.

Employee Motivation To Employee Retention
The result of multiple regression analysis shows that there is a significant influence of Employee Motivation on Employee Retention.

Based on the coefficient result in multiple linear regression analysis, the significant of employee motivation is 0.00 which lower than 0.05, so the of employee retention (X2) has significant influence on employee retention (Y).

Employee motivation is one of the policies of managers to increase effectual job management amongst employee in organizations (Shadare and Hammed, 2009). A motivated employee is responsive of the definite goals and objectives he or she must achieve, therefore he or she directs its efforts in that direction. Motivation formulates an organization more successful because provoked employees are constantly looking for improved practices to do a work, so it is essential for organizations to persuade motivation of their employees. Getting employees to do their best work even in strenuous circumstances, is one of the employees most stable and greasy challenges and this can be made possible through motivating them. Doing Business all over the world is very challenging. Corporate performance and revenue growth are challenge by Internal and external operating environment factors. To survive in profitable way in the highly challenging and competitive global market economy, all the factor of Employee Retention and Production - machine, materials and men, should be managed in impressive way among the factors of production the human resource constitutes the biggest challenge because unlike other inputs employee management calls for accomplished handling of thoughts, feelings and emotions to protected highest productivity. High productivity is a long-term benefits of employee motivation. Employee motivation is a valuable asset which delivers huge value to the *organization* in maintaining and strengthening its business and revenue growth. Nothing works better than motivation.

Employee retention involves various steps taken to retain an employee who wishes to move on. An employee must find his job challenging and as per his interest to excel at work and stay with the organization for a longer period of time. The management plays an important role in retaining the talented employees who are familiar with the working conditions of the organization and thus perform better than the employees who just come and go.

Employee motivation at work is considered as an essential drive as it generates effort and action towards work-related activities, for example, employee's willingness to spend the energy to achieve a common goal or reward. When an employee is motivated, he or she shows enthusiasm and eagerness to- wards the work and a strong determination to implement and accomplish the work tasks (Moran, 2013). Employee motivation has a strong influence on the effectiveness of an organization.

This research finds that employee motivation effect on employee retention. Employee motivation plays an important role in employee satisfaction and eventually employee retention. With the employee motivation the organization which is Siloam Hospital Manado can retain the employee because employee is organization greatest asset. Employee motivation can lead to increased productivity and allow an organization to achieve higher levels of output that's why Siloam Hospital Manado should pay more attention about employee motivation.

CONCLUSION AND RECOMMENDATIONS

Conclusions
Based on the analysis and discussion, several conclusions can be formulated:
1. There is a simultaneously and significant influence of work environment and employee motivation on employee retention in Siloam Hospital Manado.
2. There is a significant partial influence of work environment on employee retention in Siloam Hospital Manado.
3. There is a significant partial influence of employee motivation on employee retention in Siloam Hospital Manado.

Recommendations
Based on the conclusions, a recommendation can be proposed. Siloam Hospital Manado need to consider that work environment and employee motivation influenced the employee retention. Siloam Hospital Manado should improve the work environment and increase the employee motivation so the organization can retain the loyal employee. Siloam Hospital Manado should pay more attention to employee retention because the higher employee retention will affect the organization's performance in achieving the goals and mission of the organization.

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