



The Effect of Human Capital on Service Quality with Employee Performance as Intervening Variables in Hospital (Study at the Temanggung Regency General Hospital)

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Abstract

This study aims to determine the effect of human capital on service quality with employee performance as an intervening variable in hospitals. The emphasis of measurement in this study is quantitative research with survey methods. The data collection technique used in this study was a survey using a questionnaire containing question items that were in accordance with the research variables. The questionnaires in this study were distributed directly using a paper form. The following is a score on a Likert scale. The population in this study were all employees of the Temanggung Regional General Hospital. The sample in this study was 100 people, which means 12.5% of the total affordable population was used as a sample. The affordable population in this study was 800, thus the sampling technique used was purposive random sampling. This study uses SEM (Structural Equation Modeling) analysis, the software used is smart PLS (Partial Least Square). The use of SEM analysis in this study is considered more accurate, because the authors can find out the components that make up the variables and know the value of each variable. The results revealed that human capital had a significant positive effect on employee performance at Temanggung Hospital. Human capital has a significant positive effect on service quality at Temanggung Hospital. Employee performance has a significant positive effect on service quality at Temanggung Hospital. Employee performance partially mediates the influence of human capital on service quality at Temanggung Hospital.

Keywords: *Human Capital; Service Quality; Employee Performance; Hospital*

Introduction

In the current era of globalization, organizational competition is becoming more intense, and hospitals must develop a strategy to differentiate themselves and grow in comparison to other hospitals. The competitiveness of a hospital can be determined by the quality of services supplied. One indicator of a hospital's excellence in providing services to the community is service quality. The hospital is a public service institution, which enables the community as customers to evaluate and compare the quality of service provided by different hospitals. Hospitals aim to deliver the finest service possible in order to remain competitive. The most apparent aspect to observe is the service quality, as individuals have their own perceptions or assessments of the services given by hospitals. This rivalry for service quality has prompted hospitals to undertake a variety of health initiatives with the assistance of professional health workers. Health workers are supposed to come from a pool of individuals who demonstrate competency in terms of skills, knowledge, behavior, and relevant values (Huseno, 2016).

One of the assets that hospitals can build in order to improve the effectiveness of hospital services is the sources of health professionals, or what is defined as "human capital." As stated by Mayo, in (Endri, 2012), it is accurate to measure a company's performance based on the assets it has (both visible and invisible), but the main driving force is human capital, which includes all of the knowledge, ideas and innovations that a company's employees bring to it.

In order to increase hospital performance, human capital is a valuable asset in healthcare organizations. A hospital's superior human capital, with all of its qualities, might give it a competitive advantage over other medical facilities. Providing the greatest possible public service delivery in a friendly, easy, simple, efficient, effective, rapid, and accurate manner is not just the primary goal of human capital development in public service organizations; it is also the primary goal of all organizations in the public sector (Armstrong, 2006).

Performance is an accomplishment made by an individual in carrying out his or her duties in accordance with the standards and criteria established for the job. Performance in performing its responsibilities is not independent of work satisfaction and compensation, which are determined by skills, abilities, and individual characteristics (Rivai, 2016). Performance is measured using a variety of variables, including those that are unique to humans (human capital), such as honesty, loyalty, cooperation, discipline, competence, and leadership.

One of the causes contributing to the poor quality of employee performance in the delivery of public services is a scarcity of human resources in terms of capability, professionalism, and competence in the workforce (Tjokrowinoto, 2001). An organization with diverse management styles will reveal varying levels of performance, which means that different human positions in the management of the same firm assets will provide varying levels of extra value (Petty & Guthrie, 2000).

Several researchers have explored the application of human capital management to employee performance came to the conclusion that competence, individual abilities, and unique individual motivations all have a significant influence on employee performance when taken together, and that human capital has a very significant correlation to employee performance when taken individually (Swastari, 2013). According to Y. Kasmawati (2017), human capital has a positive and significant influence on employee performance, and as a consequence, an organization must manage human capital to ensure that the business is able to compete and obtain competitive advantage.

Hospitals, as one of the institutions responsible for providing health services, are expected to be proactive and capable of providing high-quality services to consumers. Additionally, the community expects hospitals to be able to provide health services that are relevant to their needs. Patients also expect health services to be easily accessible, quick, accurate, and affordable. By understanding consumer perceptions and meeting those desires, a hospital can survive and, of course, excel (Hendianti, 2012). Public services cannot be divorced from employee-customer contact, in this instance human resources. To achieve a competitive edge on a worldwide scale, a hospital must be able to provide high-quality services. The primary goal of a hospital is to provide high-quality care and to achieve patient satisfaction, which is defined by reduced patient complaints. By focusing on patient satisfaction, a hospital can increase the number of patients who come and even convert them to permanent patients, thereby increasing the hospital's competitiveness (Al-Abri & Al-Balushi, 2014).

As a commercial entity in the service sector, the hospital, as with other organizations, has a mission. On the one hand, the hospital's product is service to patients, and the target is care and treatment and health for patients; on the other hand, the hospital's performance is determined not only by government policies, but also by the performance of hospital members, the hospital's assets, and the hospital's efficiency in terms of cost and effectiveness. Along these, a hospital's service quality must be improved (Al-Abri & Al-Balushi, 2014).

The performance index points provide insight into the hospital's performance. This performance index is broken down into three categories: financial performance indicators, service performance indicators, and indicators. Aspects such as service performance indicators and service quality are inextricably linked to human resource optimization (human capital), as the core or driver of a public service, particularly hospitals, is human resources.

The hospital's performance report evaluates numerous parameters, including performance and service quality. Temanggung Hospital is a category B facility that serves as a model for the different health facilities located throughout the Kedu residency. According to the Temanggung Hospital's Renstra for 2019-2023, its performance index has declined regularly over the last five years, from 84.31 to 70.70. While it remains in the Healthy category (>65), the value is constantly decreasing. According to the Temanggung Hospital's 2018 Government Agency Performance Report (also referred to as LKJIP), in the non-financial aspect of the hospital's performance index points, it is stated that at the service performance evaluation point, there is still a lack of clarity regarding human resource planning, including recruitment, placement, and development plans. The performance index's second criterion is the quality of hospital services. Then again, it notes that large lineups continue to form at outpatient registration, polyclinic, and pharmacy services. Several major difficulties were confronted and developed into strategic issues during the 2018 Temanggung Hospital LKJIP, including an inadequate ratio of doctors and medical workers to the number of patients and negative public opinions of Temanggung Hospital's health services. Several of the issues confronted are human resource-related (human capital).

Based on the background information, statistics, and analysis, the authors believe that a more in-depth investigation into the impact of human capital on employee performance and the impact on service quality at Temanggung Hospital is necessary (LKJIP RSUD Temanggung, 2018). This study aims to determine the effect of human capital on service quality with employee performance as an intervening variable in hospitals.

Literature Review

Human capital is defined literally as a collection of numerous components, such as knowledge, expertise, abilities, and skills that transform humans (employees) into assets or capital for an organization (Gaol, 2015). Human capital is a critical component of an organization's or business's success (Gambardella et al., 2015).

In the context of an organization, human capital refers to the combined ability of employees to generate the best solutions based on their cumulative knowledge and experience. A company's values, culture, and philosophy are all part of its human capital, which is comprised of a combination of knowledge, expertise (skills), and the ability to innovate (Bontis et al., 2000). Because human capital may be mobilized to provide the desired results, knowledge and expertise play a significant role in determining employee productivity and quality of work (K. Kasmawati, 2014a).

Human capital can be viewed from two vantage points, namely micro and macro. Micro-assessment of human capital as a predictor of the quality of human resources in the form of knowledge that can affect the application of technology and innovation. According to Son (2010) in (Hendrawan, 2011), human capital is critical for enhancing labor productivity and enabling technological innovation in order to achieve sustainable performance. Human capital plays a critical role in intellectual property because only human capital is capable of both creation and knowledge. While information is critical to an organization or business (Li et al., 2012). Knowledge capital has a significant impact on employee performance because human capital may be employed to generate the desired results (K. Kasmawati, 2014b).

Performance is described as the outcome of an individual's efforts, abilities, and actions in specific situations. Therefore, performance can be understood as a function of the relationship between effort, ability, and task perception (Byars in (Veithzal & Sagala, 2004)). According to Siagian (1988), a person's performance is influenced by a variety of factors, including aggression, high inventiveness, self-confidence, the ability to manage oneself, and the quality of work and innovation.

The success of a company or organization can be aided by the performance of its employees. Under certain conditions and the influence of numerous elements, employee performance may be affected, which may have an impact on the quality and goals of your company. As a possible consequence, measures to improve or sustain this performance are required (Robbi et al., 2021).

Employee performance is one of the most significant factors that influence the overall level of service provided. The input, the process, and the result of a service are the three factors that can be used to evaluate its quality. Input refers to all of the resources required to carry out tasks, such as human capital, cash, equipment, technology, and information. Examples of input encompass: The process is characterized by professional engagement between service providers and customers (Puluhulawa, 2017).

The service quality element specifies input, output, and process elements. The process that is being discussed is the service process. The service process is an interaction between service providers and consumers that is professional in nature. The service interaction process entails the subject of the service provider, the service provider's capability and knowledge, as well as the accuracy of the service, which might indicate the service's quality (Puluhulawa et al., 2017). According to Robbi et al. (2021), employee performance has an effect on the quality of public services, while the other is determined by a variety of other variables.

Conceptual Framework

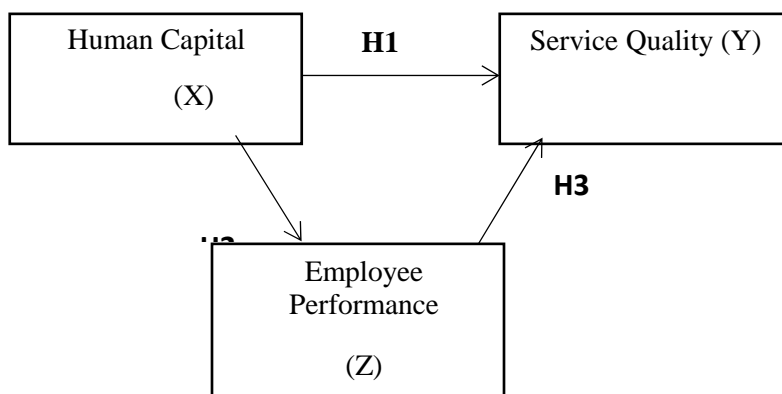


Figure 1. Research Conceptual Framework

Hypothesis

1. Human capital affects the quality of service
2. Human capital affects employee performance
3. Employee performance affects service quality
4. Human capital has an effect on service quality mediated by employee performance

Method

This is a formal study that begins with the research hypothesis. The study places greater emphasis on quantitative research using survey methods. This study collects data through primary data. (Cooper & Schindler, 2017) defined primary data as information that has not been processed. Primary data were collected directly from respondents in this study. The data collection strategy utilized in this study was a questionnaire survey with questions aligned with the research variables. In this study, questionnaires were sent directly to respondents using a paper form.

This study makes all employees of the Temanggung Regional General Hospital as research subjects while human capital, employee performance and service quality as research objects. The population in this study were all employees of the Temanggung Regional General Hospital.

- Target population: all employees and patients visiting the Temanggung Regional General Hospital.
- Affordable population: employees who work in the functional field and patients who visit the Temanggung Regional General Hospital.

The sample in this study was 100 people, which means 12,5% of the total affordable population was used as a sample. The affordable population in this study was 800, thus the sampling technique used was purposive random sampling. The research variables used are:

1. Independent variable : Human Capital
2. Dependent variable : Service Quality
3. Mediation variable (intervening variable) : Employee Performance

The data analysis method is carried out using descriptive statistics. Testing the instruments used in this study with validity and reliability tests. This study uses SEM (Structural Equation Modeling) analysis, the software used is smart PLS (Partial Least Square). The use of SEM analysis in this study is considered more accurate, because the authors can find out the components that make up the variables and know the value of each variable.

Research Results and Discussion

Data collection in this study was carried out by distributing questionnaires directly to respondents. Direct questionnaires were distributed to meet the target respondents who were functional employees and visitors at the Temanggung Hospital. The distribution of this research questionnaire was carried out from February 13 to March 10, 2021. The questionnaire distribution process succeeded in collecting the participation of 100 respondents from hospital functional employees and 100 respondents from hospital visitors.

1. Respondent Profile

This study uses a variety of respondents from employees and visitors. The variety of respondents from hospital visitors includes gender and age. The variety of employee respondents in this study included gender, age, years of service, latest education and work department. Employee profiles based on age are grouped into 3 groups, namely 17-25 years old, 26-35 years old and over 35 years old. Employee profile based on latest education seen from high school level or equivalent, Diploma, and bachelor or profession. Employee profiles are also seen from the period of service based on how long they have worked at the Temanggung Hospital, namely less than 1 year, 1-3 years, 3-5 years, and more than 5 years. Employee profiles are also described based on the department where the employee is located including registration, medical records, as well as nurses.

Table 1 Employee Profile

Profile	Category	Amount	Percentage
Gender	Man	33	33%
	Woman	67	67%
Age	17 - 25 years old	29	29%
	26 - 35 years old	34	34%
	> 35 years old	37	37%
Last Education	High School/Equivalent	10	10%
	Diploma	44	44%
	Bachelor	46	46%
Years of service	< 1 year	8	9%
	1-3 years	27	31%
	3-5 years	20	34.50%
	> 5 years	45	14.50%
Department	Registration	8	8%
	Medical records	10	10%
	Outpatient	26	26%
	Inpatient	56	56%

Table 2 Visitor Profile

Profile	Category	Amount	Percentage
Gender	Man	43	43%
	Woman	57	57%
Age	17 - 25 years old	15	15%
	26 - 35 years old	38	38%

2. Validity test

Convergent Validity Test

Factor loading is part of the convergent validity test to see the validity value of each indicator. The limit value of the factor loading test is 0,7. The factor loading value above 0,7 indicates that each indicator used is able to represent the variables measured in the study well. The next component of the convergent validity test is the Average Variance Extracted (AVE) which is a statistical test that measures convergent validity, where the resulting value shows how well each variable is explained by the measuring indicator. The AVE value criterion $> 0,5$ indicates that the variance of the indicators extracted by the latent construct is greater than the error variance.

Table 3. Average Variance Extracted (AVE) Validity Test Results

	Average Variance Extracted (AVE)
Human Capital	0.587
Employee Performance	0.603
Service Quality	0.572

The results show that all the variables studied already have an AVE value $> 0,5$ which indicates that the AVE validity value produced is in accordance with the expected discriminant validity criteria, namely $> 0,5$.

The next validity test in PLS-SEM was carried out with the Fornell-Larcker Criterion and Cross Loading test. The discriminant validity test examines the extent to which a variable is not correlated with other variables, so the correlation value between variables must be smaller than the correlation on the variable itself. The Fornell-Larcker Criterion is a discriminant validity test in which the test is carried out to see the variables that should not be correlated are indeed uncorrelated. While the Cross Loading test between indicators on each variable is indeed not correlated. The Fornell-Larcker criterion that can be used is if the AVE value of the variable is greater than the correlation value of the latent variable.

Table 4 Fornell-Larcker Criterion Test Results

	HumanCapital	Employee Performance	Service quality
Human Capital	0.766		
Employee Performance	0.464	0.777	
Service Quality	0.625	0.617	0.756

The results of the Fornell-Larcker test with the result that the AVE value of the variable is greater than the correlation value of the latent variable. The result of the human capital AVE value of 0.766, this result is greater than the correlation value of the latent variable. The result of the AVE value of employee performance is 0.777, this result is greater than the correlation value of the latent variable. The result of service quality AVE value of 0.756, this result is greater than the correlation value of the latent variable.

The reliability test measures the consistency of the results that will be found from data collection (Cooper & Schindler, 2014). To measure the reliability of the research instrument, Cronbach's Alpha and Composite Reliability statistical tests will be carried out.

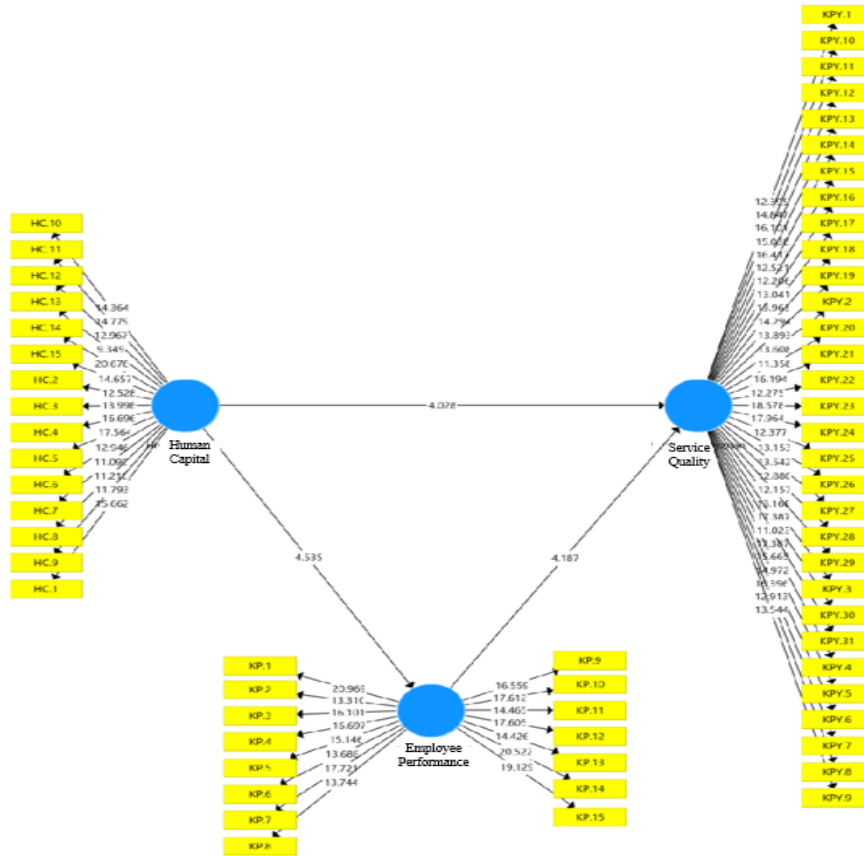
Table 5 Cronbach's Alpha and Composite Reliability Test Results

	Cronbach's Alpha	Composite Reliability
Human Capital	0.950	0.955
Employee Performance	0.953	0.958
Service Quality	0.975	0.976

The results of the reliability test for the independent and dependent variables from Cronbach's Alpha and Composite Reliability assessments have values above 0,70 for human capital of 0,950 and 0,955, respectively. Meanwhile, the results of Cronbach's Alpha and Composite Reliability of employee performance are 0,953 and 0,958, respectively. As for the results of Cronbach's Alpha and Composite Reliability of service quality are 0,975 and 0,976, respectively. The results of all variables are said to meet the reliability rules to be continued as a research instrument. From the results of the validity and reliability tests, the indicators that are continued as research instruments are as follows:

Inner model analysis

The inner model analysis using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method using the SmartPLS application will measure the suitability of the construct to see the level of goodness of fit or predictive relevance (Q^2). In addition, value analysis is also carried out to see the coefficient of determination shown by the adjusted R-square (R^2) value. The value of the coefficient of determination explains how much the independent variable used in this study can explain the dependent variable and how much other variables outside of this study explain the dependent variable.



Goodness of Fit (Q²)

Goodness of Fit (Q²) Goodness of fit or also known as predictive relevance in PLS-SEM shows how good the observed value is. The goodness of fit value is seen from the blindfolding test value symbolized by Q² where the criteria for the acceptable Q² value is above zero (> 0) (Hair et al., 2010). The results of the goodness of fit test in this study are shown in table 4.10 where the Q² value of the employee performance variable is 0.121 and the Q² value for the service quality variable is 0,281.

Table 6 Goodness of fit Test Results

	SSO	SSE	Q ² (=1-SSE/SSO)
Human Capital	1500,000	1500,000	
Employee Performance	1500,000	1318.255	0.121
Service quality	3100,000	2228.099	0.281

Adjusted R Square (Adjusted R²)

The adjusted R-Square value shows how much the independent variables can explain their effect on the dependent variable. The adjusted R² value has an interval between 0 to 1 (0 ≤ R² ≤ 1) (Ghozali, 2012).

Table 7 Results of Adjusted R Square

	R Square	R Square Adjusted
Employee Performance	0.215	0.207
Service quality	0.527	0.518

The value of R-Square in table above shows that human capital affects the performance of R-Square employees by 21.5% and the rest is obtained from 100% - 21.5%, namely 78.5% is influenced by other factors. Human capital affects the quality of service by 52.7%, the remaining 100%-52.7% = 47.3% is influenced by other factors outside the study. Meanwhile, the adjusted R-Square value of employee performance shows that human capital affects 20.7% and the remaining 79.3% is influenced by other factors outside of this study. The adjusted R-Square value for service quality shows that human capital affects 51.8%, the remaining 48.2% is influenced by other factors or variables beyond this study.

Path Coefficients Test, T-statistics, and P-values

The results of the path coefficient test describe the effect of the independent variable on the dependent variable. The coefficient value is taken from the value of the original samples (O). A positive path coefficient value (> 0) indicates that the influence of the independent variable on the dependent is positive, the higher the value of the independent variable, the higher the value of the dependent variable. Analysis of the influence and significance between the coefficients owned by the structural model by looking at the t-statistics and p-values. The confidence level used in this study has a value of 95% and a significance level of 5%. The results of t-statistics have a value greater than 1.96 and p-values are smaller than 0,05 indicating the independent variable has a significant effect on the dependent variable.

Table 8 Test Results for the direct effect of Path Coefficients, T-statistics, and P-values

	Original Sample (O)	Samplemean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Human Capital -> Employee Performance	0.464	0.484	0.102	4,535	0.000
Human Capital -> Service quality	0.431	0.430	0.107	4.028	0.000
Employee Performance -> Service quality	0.418	0.420	0.100	4.187	0.000

Table 8 shows that the direct influence of human capital on employee performance is significant = 0,464, t statistic value = 4,535, and p values 0,000 ($<0,05$). The results of human capital on service quality are significant = 0,431, t statistic = 4,028, and p values 0,000 ($<0,05$). Meanwhile, the results of employee performance on service quality are significant = 0,418, t statistic = 4,187, and p values = 0,000 ($<0,05$). These results explain that human capital on employee performance has a significant positive effect, human capital on service quality has a significant positive effect and employee performance on service quality has a significant positive effect.

Table 9 Test Results for the indirect effect of Path Coefficients, T-statistics, and P-values

	Original Sample(O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Human Capital -> Employee Performance -> Service quality	0.194	0.203	0.065	2,994	0.003

Based on table 9, it shows that by including the mediating variable of employee performance, human capital on service quality becomes = 0,194, t statistic = 2,994, and the results of p values are 0,003 ($<0,005$). The indirect effect of human capital on service quality through employee performance shows significant positive results.

Table 10 Summary of Hypothesis Test Results

No	Hypothesis	B	P Value	Description	Conclusion
1	Human capital has a positive influence on employee performance	0.464	0.000	Human capital has a positive effect on employee performance	H1 Supported
2	Human capital has a positive influence on service quality	0.431	0.000	Human capital has a positive effect on service quality	H2 Supported
3	Employee performance has a positive influence on service quality	0.418	0.000	Employee performance has a positive effect on service quality	H3 Supported

Discussion

The purpose of this study was to determine the effect of human capital on service quality with employee performance as an intervening variable at Temanggung Hospital. The study was conducted at the Temanggung Hospital, which is a type B hospital and is a reference for various health facilities in the Kedu Residency. The Temanggung Regional General Hospital, which was established in 1907 as a government hospital in Temanggung Regency, has an important role and task in ensuring the continuity and quality of health services for the entire Temanggung community. The Renstra of the Temanggung Hospital for 2019-2023 states that in the last 5 years its performance index has decreased continuously, from 84.31 to 70.70. Even so, as a referral hospital from the basic / first level service unit, both government, private and community in Temanggung regency, Temanggung Regency Hospital continues to improve the performance and quality of public health services through improving infrastructure, human resources and health service standards.

The results of the first hypothesis test of this study, namely human capital on service quality, have a significant positive effect. Based on the results of Table 7, human capital affects the quality of service by 52.7%. These results explain that the better human capital will provide an increase in service quality. The human capital condition of Temanggung Hospital is considered to be quite good or moderate. This is in line with the research conducted by Syafaruddin (2020) in a study entitled "the influence of human capital and its impact on service quality in management information systems". The study explains that service quality has a closer relationship with human capital than the management system.

Other research that supports the first hypothesis is that conducted by Kamukama (2013) which states that there is a positive relationship and impact of service quality. In this research, it is emphasized that the increase in intelligence, creativity, talent, knowledge, skills and abilities of employees is able to improve service quality. Meanwhile, the findings highlight that indirectly market orientation and human capital together can improve service quality but the most dominant impact lies in human capital. This is in line with the results of this research which shows that human capital has a more dominant effect of 52.7% on service quality, while the remaining 47.3% is influenced by other variables beyond this study.

Based on the results of PLSSmart 3 data processing, the second hypothesis that human capital affects employee performance is proven by significant positive results, which means that the better human capital, the better the employee performance. This result is supported by several studies. According to Swastari (2013) human resource management (human capital) on employee performance such as competence, individual ability and unique individual motivation each has a significant influence on employee performance and human capital has a very significant correlation on performance. Another study with the title "The Influence of Human Capital on Employee Performance (Study on Malang Advertising and Advertising Companies) with multiple linear regression method conducted by Nugraha (2018) also stated that there is a significant relationship between human capital and employee performance. Moreover, Alnachef & Alhajar (2017) with a research entitle "Effect of Human Capital

On Performance" concluded that there is a significant relationship between human capital and employee performance. Further, according to Robbins (2003), employee performance will depend on the ability of the employee himself, such as the level of education, knowledge, experience, where the higher the level of ability, the higher the performance.

Table 7 shows that the influence of human capital on employee performance is only 21.5% while the remaining 78.5% can be influenced by other factors. As stated by Rivai (2016) that the performance of employees in carrying out their functions does not stand alone, but is related to job satisfaction and the level of rewards, influenced by skills, abilities and individual characteristics. Performance is assessed by several indicators which are characteristics that are only possessed by humans (human capital) including honesty, loyalty, cooperation, discipline, competence, leadership.

According to AA Mangkunegara & Anwar (2011) performance can be influenced by several factors including the ability factor and motivation factor. This ability factor includes skills, knowledge and education that employees implement in their work. Therefore, it is very important for an employee to do work in accordance with the field of education and skills. But in fact based on the results of this study there are still some employees who work not in accordance with their education and skills. Employees need to be placed in jobs that match their expertise because it will affect the performance they produce. The second factor is the motivation factor in the form of attitudes in dealing with work situations and conditions that move employees to achieve work goals (Mangkunegara, 2005).

Table 7 explains that there are 78,5 other factors that can affect employee performance other than human capital. These factors include individual factors, psychological factors and organizational factors. Based on the results of research conducted by Ma'arif et al. (2013) in the research entitled "Factors that affect employee performance: Study in Regional Company Pasar Tohaga, Bogor Regency" states that overall the dominant factors that affect employee performance are abilities and the learning process, which is part of human capital. Likewise, Budiasih (2012) notes that organizational factors in the form of leadership, job design, rewards/rewards and supervision affect employee performance. Hence, it can be explained several other factors that may affect employee performance other than human capital, namely leadership style, job design, rewards/rewards and supervision.

The third hypothesis, employee performance has a significant positive effect on service quality. This means that the better the employee's performance, the better the quality of service received by visitors to the Temanggung hospital. Table 7 explains the influence of employee performance on service quality significantly affects 41.8%, the remaining 58.2% can be influenced by other things that are not included in this research model. These results are in line with research conducted by Makkasau (2016) with a research entitled "The Effect of Performance on Service Quality at the Department of Population and Civil Registration of North Mamuju". The results of this study indicate that employee performance can simultaneously affect service quality. The effect of performance on service quality is determined by the quality of work, timeliness, initiative, ability, communication. Each of these factors partially affect the quality of service significantly.

Based on the descriptive analysis of the average results of the questionnaire, the lowest score was regarding the provision of sufficient time for the patient's family, the provision of facilities which according to the patient were incomplete, and the service that was less agile by the staff regarding the patient's needs. Regarding the provision of sufficient time for the patient's family, this is still considered too low, this is understandable because it can be caused by pandemic conditions which require restrictions on the number and time of waiting and patient introductions as well as limited patient visiting hours according to hospital rules. The service that is less nimble by officers regarding the needs of these patients can be caused by several things, it could be due to lack of facilities and too many patients. Based on LKJIP sources at the Temanggung Regional Hospital in 2018, it was stated that the strategic issues faced by the Temanggung Regional Hospital were the ratio of doctors and medical personnel not being proportional to the number of patients and the incomplete infrastructure was still a

problem. Based on research data conducted by Putri (2019) in a study entitled "Prediction of Outpatient Visits in 2019-2023 at the Temanggung District Hospital" stated that the prediction of the average outpatient visit of Temanggung Regional Hospital per day in 2019-2023 experienced an increase in the trend model index by 76.5% per year with an average the average increase in visits by 10% per year, new outpatient visits per day also increased by 22.5% with an average increase of 10% annually. Based on these data, it can be explained that one of the causes of the lack of dexterity of the officers could be due to the increasing number of patient visits. The increase in patient visits was not matched by the addition of the number of employees because since 2018 the Temanggung Hospital had not increased the number of employees from both the Regional Public Service Agency (BLUD) and supporting staff.

The fourth hypothesis, namely human capital has an effect on service quality mediated by employee performance, is proven. The indirect effect of human capital on service quality mediated by employee performance variables showed significant positive results. The results of table 9 have shown that the direct influence of human capital on service quality has a significant positive effect. This shows that the influence of human capital on service quality can be mediated by employee performance in partial mediation because of the direct influence of human capital on service quality, it has a significant positive effect, then after adding the mediating variable, namely employee performance, the results also have a significant positive effect. As for partial mediation which shows the influence of human capital variables on service quality variables after mediation employee performance variables are reduced but still remain significant (from 0.431 to 0.194).

Employee performance is one of the important aspects that affect the quality of service. Service quality can be assessed by three things, namely input, process and output. Input is all the resources needed in carrying out activities such as human resources (human capital), funds, equipment, technology, information. The process is the professional interaction between service providers and consumers. In this interaction process, there is performance that plays a role in improving service quality (Puluhulawa et al., 2017). According to Ritonga (2019) in a study entitled "Analysis of the Effect of Human Capital on Employee Performance at PT. Mustika Asahan Jaya" highlight that partially human capital has a significant positive effect on employee performance.

There are 5 aspects of service quality as a benchmark, namely reliability is the ability to provide the promised service immediately and satisfactorily, responsiveness is the ability of employees to assist patients in the right service, assurance (guarantee) is knowledge, ability, courtesy and the nature of employees, empathy includes ease in making relationships, communication, and understanding patient needs and tangible including physical facilities, equipment, employees and means of communication (Parasurman et al, 1988 in (Jacobis, 2013)).

Of the five aspects, there are factors that involve humans and how they work. Wijono (1999) in (Jacobis, 2013) also reveals several other factors that can affect the quality of health services including technical competence related to the ability, skills and appearance of service providers, access or affordability of services, effectiveness, human relations which are interactions between service providers and patients. According to Anggraini (2017) in a study entitled "The Effect of Employee Performance on Service Quality in Jati Padang Village, Pasar Minggu Subdistrict, South Jakarta" states that if a performance is created properly and correctly, the impact that will be given to the service will be maximized, thus it is clear that there is a clear relationship between employee performance and service quality is very close. From the explanation above, it can be concluded that the influence of human capital on service quality can be mediated by employee performance because aspects and factors that affect service quality cannot be separated from human resources (human capital) and the abilities, skills, competencies and performance of employees.

Conclusions and Suggestions

Conclusion

According to the results and discussion so far, the following conclusion can be drawn, namely:

1. Human capital has a significant positive effect on employee performance at Temanggung Hospital
2. Human capital has a significant positive effect on service quality at Temanggung Hospital
3. Employee performance has a significant positive effect on service quality at Temanggung Hospital
4. Employee performance partially mediates the effect of human capital on service quality in Temanggung Hospital

Suggestion

According to the results and conclusion provided, several suggestion may be taken into account:

1. It is necessary to involve employees in training and education related to the implementation of their duties, especially regarding the rapid response to patients, duties and responsibilities of work according to their main duties.
2. The need to improve facilities and infrastructure to meet the needs of patients in Temanggung Hospital
3. The need for synchronization of the division of employee duties between background or basic education with their main duties at the Temanggung Hospital.
4. It is necessary to break down each variable into more detail on each aspect of each variable to see its effect.

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