Human Resources Management Function, Technology Capabilities and Quality of Work Life Towards Competitive Advantage

by Zahara Rony

Human Resources Management Function, Technology Capabilities and Quality of Work Life towards Competitive Advantage

Zahara Tussoleha Rony[1], Dian Yulianti[2]

Universitas Bhayangkara Jakarta Raya[1,2]

Corresponding Author: Zahara Tussoleha Rony (zahara.tussoleha@dsn.ubharajaya.ac.id)

ARTICLE INFO	ABSTRACT
	This study aims to analyze the effect of human resources management function, technology capabilities to competitive advantage through quality of worklife as an intervening variable. Data were analyzed using statistical software LISREL 8.7. This result of this research are the effect of human resources management function to quality of worklife is significant so the hypothesis is accepted;the effect technology capabilities to quality of worklife is not significant so the hypothesis is rejected; the effect of human resources management function to competitive advantage is not significant so the hypothesis is rejected; the effect technology capabilities to competitive advantage is not significant so the hypothesis is rejected; the effect quality of worklife to co competitive advantage is not significant so the hypothesis is rejected. This research is only used in a limited and homogeneous sample, this research can give consideration to hospital leaders in making decisions regarding the program that will be used to provide solutions to problems that occur. Keywords: Human Resources Management Function, Technology Capabilities, Quality of Worklife, Competitive Advantage

INTRODUCTION

In the era of the National Health Insurance which is managed by the Social Security Administering Body (BPJS) for Health which has been running since January 2014 and is now entering its 6th year, the number of hospitals, especially in Bekasi City, which are working together is increasing from year to year, currently from The total number of hospitals in Bekasi City is 42 (Forty Two) Hospitals, 37 (Thirty Seven) Hospitals of which have collaborated with BPJS Health, with 10 (Ten) Hospitals located in the same area as the ABC House.

Seeing the current number of hospitals in Bekasi City, of course, creates intense competition in obtaining income and profits for hospitals and also to maintain the best health services so that they can survive in the health industry, especially preventive and curative health services. Therefore, hospital management must have an approach and strategy so that the hospital remains superior and competes with other hospitals.

Currently a problem arises, where the number of outpatient and inpatient visits has decreased compared to the previous year. Where the decrease in outpatients was 48.3% and inpatients was 31.5%.

In research conducted by Teisberget al, 1994 Managed care has been successful not only in increasing market power to obtain health care, it has also stimulated increased competition between competing hospitals to manage patient care. To increase competition, organizations must increase the value of their product or service by increasing quality or reducing costs to maintain profit margins. The historical description of the hospital industry has painted a different picture, with costs and prices thought to be positively related to hospital competition, one characteristic of the majority of these studies is that they focus on a single relationship between competition and price or competition and costs. Given the conflicting pressures on hospitals to provide added value in the form of higher quality, lower costs, or a combination of both. (Douglas and Ryman 2003).

In addition to a decrease in the number of visits, the hospital also has problems with high employee turnover rates where the nurse turnover rate is > 25% and non-medical is almost 10% every month. There are several factors that may occur, such as inappropriate wages, absent attendance monitoring, minimal training and development, reward systems that have not worked, the role of leaders who are not optimal in making decisions (Rony 2016; Rony et al. 2020). This can affect employee discomfort and ultimately decide to resign from work. As in research conducted by Zahara T. Rony where companies that are unable to manage their employees properly can lead to a sense of dissatisfaction from their employees and have an impact on the difficulty of retaining existing employees and can cause employee turnover. (Rony 2017).

Resources can create sustainable competitive advantage only when they are scarce, valuable, inimitable and non-substitutable. According to this view, to leverage human capital as a sustainable competitive advantage. First, human resources must add value to the company. There are many potential workers with different skills, abilities and capabilities and the company tries to attract the most talented to add value to the company. Second, human resources must be scarce to create a sustainable competitive advantage. Third, human resources cannot be imitated. Indiviable human capital relates to the unique skills, abilities and competencies of people for whom they are adapted. Fourth, human resources have no substitute and this creates a competitive advantage for the company. (Barney 1991).

In addition to employee factors, the Hospital faces technological problems, where service to patients experiences problems because the information system is not fully integrated and the availability of digital tools is not evenly distributed in each unit so that service and reporting of patient examination results still takes quite a long time. This is of course a triggering factor for the decreased number of visits because patients want to get fast service and get fast results. In research conducted by Reichert et al that technological capability as the ability of companies, based on accumulated knowledge, to carry out a series of activities, which results in the development of new technological knowledge to achieve positive economic results. (Reichert and Zawislak 2014).

Technological change is one of the main drivers of competition. Technology plays a major role in the structural change of the industry, as well as in creating new industries. Technology is also a great balancer, eroding the competitive advantage of even established companies and pushing other companies to the forefront. Many of today's large companies grew out of the technological changes they were able to exploit. Of all the things that can change the rules of competition, technological change is the most prominent. (Porters 1985).

The problems above are of course things that need to be analyzed so that hospitals can benefit and be able to survive in the health industry and be able to beat competitors around them. Hospitals must formulate what strategy to use in order to have a competitive advantage. Human resources play an important role in creating and maintaining competitive advantage because humans are an integral part of the company, according to Armstrong the role of the HR function is to take initiative and provide guidance, support and service on all matters relating to organizational employees. Basically the HR function is to provide advice and services that enable organizations to get things done through people. (Wahlström and Suurnäkki 2015).

This viewpoint suggests that human resource management strategy has many different components including policies, culture, values and practices. Various statements also imply what human resource

management does, namely connecting, integrating, and uniting various levels in the organization. Implicitly or explicitly, the goal is to more effectively utilize human resources for the strategic needs of the organization. (Schuler 1992).

To maintain a competitive market, organizations must retain skilled employees. Employees should be treated as an asset, not a liability, and this is only possible through a humane process of job design, known as Quality of Work Life. (Nanjundeswaraswamy and Swamy 2013).

As in the research conducted by Ali Mehdizahdeh Ashrafy entitled Quality of Worklife and its relationship with performance, the research results show that there is a direct relationship between several aspects of performance and the quality of work life and the fact that in several dimensions the group studied is below average, recommended to managers more concerned with fair wages, growth opportunities and ongoing promotion of staff performance improvements. (Hosseini, Gholamreza Mehdizadeh Jorjafki, and Mehdizadeh Ashrafi 2010).

Therefore in the framework of the most efficient utilization of human resources there is an increasing need for wider recognition of procedures and structures related to human resources. In other words, if organizations feel compelled to increase human input they need to maintain an impeccable quality of work life. Because the quality of work life provides positive supervision, cooperative in a good working relationship with employees thereby facilitating employees to show positive organizational behavior (Kashani 2012) (Ali and Taher 2013). Positive organizational behavior may be an important component for achieving customer satisfaction, organizational success, and organizational performance thus creating a competitive advantage in today's work environment. (Kanten 2014).

Over the past decade, companies' technological capabilities have become an important strategic resource for them to achieve competitive advantage in their industries, especially in high-tech industries. According to Khalil, technology can be defined as all the knowledge, products, processes, tools, methods and systems used in the creation of goods or in providing services, only when the knowledge is practically applied to create new things, operate systems or provide services that we enter. To the technology sector. But the most important aspect of technology is capability. We must consider that technology must be seen as a created capability. (Mohammadi, Elyasi, and Kiasari 2014).

Competitive advantage exists when a company is able to provide the same benefits as competitors but at a lower cost (cost advantage), or provide benefits that exceed the benefits of competing products (differentiation advantage). (Porter 1985) argues that firm power ultimately falls into one of two namely cost advantage and differentiation. By applying these strengths in a broad or narrow scope, three generic strategies are generated, namely cost leadership, differentiation, and focus. These strategies are implemented at the business unit level. (Wen-Cheng, Chien-Hung, and Ying-Chien 2011).

The heart and soul of any strategy are the actions and moves in the market that managers take to gain a competitive advantage over competitors. The five most frequently used and reliable strategic approaches to set a company apart from competitors and win competitive advantage sustainably are. (Gamble, J. E., Peteraf and Jr. 2015).

A. Low-cost provider strategy
B. Broad differentiation strategy
C. Focused low-cost strategy
D. Focused differentiation strategy
E. Best cost provider strategy.

The hypothesis in this study is:

H1: There is a positive and significant influence between the function of Human Resource Management on Quality of Work Life.

H2: There is a positive and significant influence between Technology Capability on Quality of Work Life.

H3: There is a positive and significant influence between the function of Human Resource Management on Competitive Advantage.

H4: There is a positive and significant influence between Technology Capability on Competitive Advantage

H5 : There is a positive and significant influence between Quality of Work Life on Competitive Advantage.

METHODS

This research method uses a quantitative approach, with the survey method consisting of independent variables, namely the Function of Human Resource Management (X1), Technological Capability (X2), the dependent variable, namely Competitive Advantage (Y2), and the intervening variable, namely Quality of Work Life (Y1). , this variable is an intervening variable that lies between the independent variable and the dependent variable, so that the independent variable does not directly affect the change or emergence of the dependent variable. In SEM (Structural Equation Modeling) the independent variables are referred to as exogenous variables and the dependent variables are referred to as endogenous variables.

Quantitative method can be interpreted as a research method based on the philosophy of positivism, used to examine certain populations or samples, collecting data using research instruments, analyzing data is quantitative/statistical, with the aim of testing established hypotheses.

The method used in this research is a survey method. The survey research method or in short, commonly called the survey method, is research in which the main source of data and information is obtained from respondents as a research sample using a questionnaire or questionnaire as a data collection instrument.

The research method was carried out using SEM (Structural Equation Modeling) analysis for the following reasons:

1. The analyzed model is multilevel and relatively complicated, so it will be very difficult to solve using the path analysis method in linear regression.
2. Able to simultaneously test complex and multilevel hypotheses.
3. Errors in each observation are not ignored but are still analyzed, so that SEM is more accurate for analyzing questionnaire data involving perspective.
4. Be able to analyze recursive relationships simultaneously, where this model cannot be solved by simultaneous linear regression analysis.

In accordance with the scope of the research that will be used as research subjects are 371 employees of ABC Hospital. Due to limited funds, manpower and time the researchers took samples from the population, the samples to be taken as research using the slovin formula are with a confidence level of 95% and error rate of 5% is:

$$n = \frac{371}{1 + (371 \times 0,05^2)}$$

$$= 192$$

So the research sample for a population of 371 people and a 95% confidence level is 192 people. The sampling technique that will be used in this study uses probability sampling technique with cluster sampling (area sampling). In addition to the area sampling technique, sampling is purposive sampling. Purposive sampling is a sampling technique with certain considerations or criteria. (Sujarweni, 2011), the criteria considered in purposive sampling is the length of time employees have worked for more than 1 year.

The data collection technique was carried out using a research instrument in the form of a questionnaire. The instrument was tested first before being used in research. The instrument testing includes validity and reliability tests.

A questionnaire was created and then the questionnaire was tested on several respondents. The data obtained was then tested for validity by looking at the correlation between the question items. The validity test is used to determine the feasibility of the items in a list of questions in defining a variable. We compare the results of r calculation with r table where df = n-2 with sig 5%, if r table < r count then it is valid. Test the validity using the product moment correlation technique using the formula: (Sujarweni, 2011).

$$r_{xy} = \frac{N\Sigma xy - (\Sigma x)(\Sigma y)}{\sqrt{(N\Sigma x^2 - (\Sigma x)^2(N\Sigma y^2 - (\Sigma y)^2)}}$$

r_{xy}	: Correlation coefficient between variable x and variable y
Σxy	: The number of multiplication between variable x and variable y
Σx^2	: The sum of the squared values of x
Σy^2	: The sum of the squared y values
$(\Sigma x)^2$	: The sum of the x values is then squared
$(\Sigma y)^2$	: The sum of the y values is then squared

Besides being tested for validity, the questionnaire was also tested for reliability. The reliability test is a measure of the stability and consistency of the respondents in answering questions related to the constructs of the questions which are the dimensions of a variable and are arranged in a questionnaire form. The reliability test can be carried out simultaneously on all questions. If the alpha value > 0.60 then it is reliable with the following formula: (Sujarweni, 2011).

$$r_{11} = \left(\frac{n}{n-1}\right)\left(1 - \frac{\Sigma \sigma_t^2}{\sigma_t^2}\right)$$

$r11$	: Reliability sought
n	: Number of questions tested
$\Sigma \sigma t2$	: Total variance score of each item
$\sigma t2$	: Total variance

In Structural Equation Modeling (SEM) each latent variable usually has several measures or observed variables or indicators. SEM users most often relate latent variables with observed variables through measurement models in the form of factor analysis and are widely used in psychometry and sociometry.
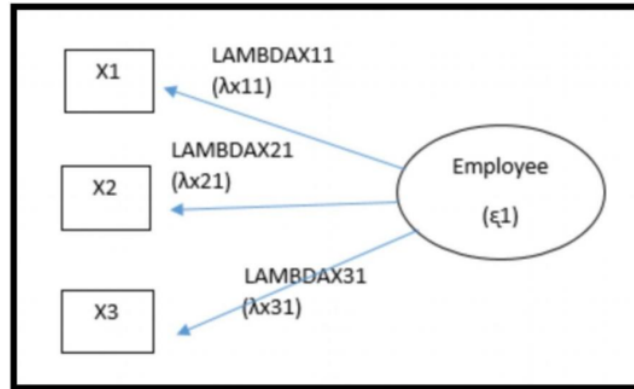
Figure 1. Exogenous Latent CFA 1st Measurement Model
Source: processing data

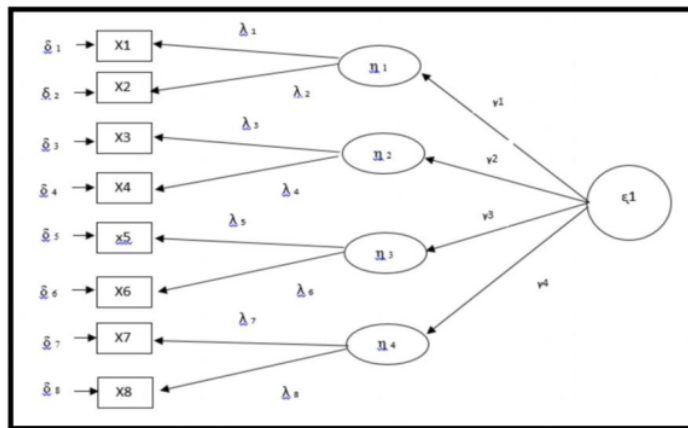Figure 2. Exogenous Latent CFA 2nd Measurement Model
Source: processing data

RESULTS AND DISCUSSION

The structural model test is the final stage of managing with LISREL 8.7. This section deals with the evaluation of the coefficients or parameters that indicate a causal relationship or the influence of one latent variable on another latent variable. These causal relationships will be hypothesized in this study.

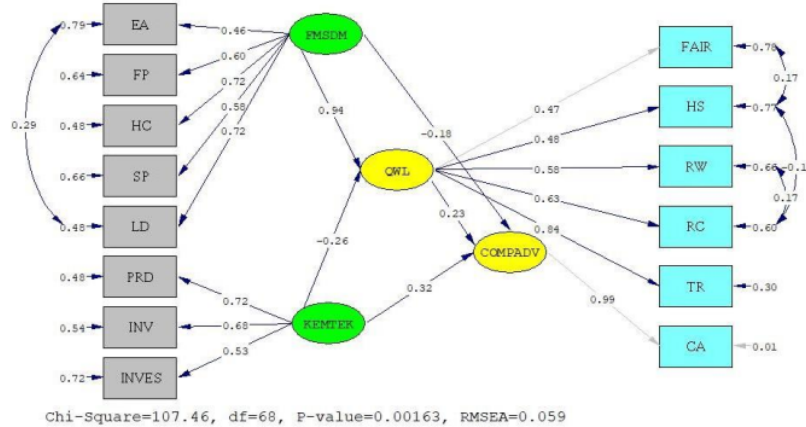Chi-Square=107.46, df=68, P-value=0.00163, RMSEA=0.059

Figure 3. The results of the structural model test of the Standardized solution mode research
Source: processing data

Table 1. The validity and reliability of the structural model

Laten Variabel	Variabel Indikator	Loading factor	Description	Construct Reliability	Description
FMSDM	EA	0,46	**Valid**	0,75	**Reliabel**
	HC	0,6	**Valid**		
	FP	0,72	**Valid**		
	SP	0,58	**Valid**		
	LD	0,72	**Valid**		
KEMTEK	PRD	0,72	**Valid**	0,68	**Reliabel**
	INV	0,68	**Valid**		
	INVES	0,53	**Valid**		
QWL	FAIR	0,47	**Valid**	0,74	**Reliabel**
	HS	0,48	**Valid**		
	RW	0,58	**Valid**		
	RC	0,63	**Valid**		
	TR	0,84	**Valid**		
COMPADV	CA	0,99	**Valid**	0,98	**Reliabel**

Source: processing data

It can be seen from the table above that all loading factors are declared valid and based on value construct reliability is said to be reliable.

Table 2. GOFI structural model measurement test results

Indicator GOFI	Information	Default value for good match	Count results	Conclusion
RMSEA	*Root Mean Square Error of Approximation*	≤ 0.08	0.059	**Fit**

NFI	*Normed Fit Index*	> 0.90 0.80<NFI<0.90	0.92	**Fit**
NNFI	*Non-Normed Fit Index*	> 0.90 0.80<NNFI<0.90	0.96	**Fit**

Source: processing data

From the table above it can be seen that of all the indicators, the fit model has a fit value, which means that the model is said to be fit.

To test the hypothesis, it can be seen from the output issued by Lisrel, where the structural model consists of 2 (two) structural equations:

Figure 4. Structural model output


```
    Structural Equations


QWL = 0.94*FMSDM - 0.26*KEMTEK, Errorvar.= 0.37 , R² = 0.63
      (0.22)        (0.18)                      (0.18)
      4.20         -1.41                        2.12

COMPADV = 0.23*QWL - 0.18*FMSDM + 0.32*KEMTEK, Errorvar.= 0.89 , R² = 0.10
          (0.20)      (0.26)       (0.18)                    (0.090)
          1.16       -0.70         1.83                       9.85
```

Source: processing data

To test the associative hypothesis (relationship) the correlation technique is used, namely the Pearson product moment correlation (r), by providing an interpretation of the coefficients as follows: (Sugiyono 2010)

Table 3. Guidelines for Interpreting Correlation Coefficients.

Coefficient Intervals	Relationship Level
0.00 - 0.199	Very low
0.20 - 0.39	Low
0.40 - 0.599	Currently
0.60 - 0.799	Strong
0.80 - 1.000	Very strong

Source: processing data

To test the significance of the coefficient of influence between latent variables, consult the t-table value with df = n - 2 with an error level of $\alpha = 0.05$. Where the number of research samples is 169, then df = 169 – 2 = 167, the value of 167 is seen in the t-table with an error level of $\alpha = 0.05$, the t-table is 1,974.

1) First Hypothesis

There is a positive influence and significance of the Human Resource Management Function (FMSDM) on Quality of Work Life (QWL).

The direct effect coefficient of FMSDM on QWL $\gamma 11$ is 0.94 while the error value (se pk) is 0.22. If the value of $\gamma 11$ is divided by sep pk, the calculated t value is 4.20. Because the t value > 1.974, it can be concluded that the coefficient of the direct effect of FMSDM on QWL is significant with an error variance = 0.37 and the coefficient of determination R^2 is 0.63, meaning that 63% of

the variation in QWL is explained by variations from FMSDM, the remaining 37% is determined by other factors. Thus the first hypothesis which states that there is a positive and significant influence of FMSDM variables on QWL can be accepted.

2) Second Hypothesis

There is a positive and significant influence of Technology Capability (KEMTEK) on Quality of Work Life (QWL).

The direct effect coefficient of KEMTEK on QWL $\gamma 12$ is -0.26 while the error value (se pk) is 0.18. If the value of $\gamma 12$ is divided by sep pk, the t value is -1.41. Because the value of t table > 1.974, it can be concluded that the coefficient of the direct effect of KEMTEK on QWL is not significant with an error variance = 0.37 and the coefficient of determination R2 is 0.63, meaning that 63% of the QWL variation is explained by variations from KEMTEK, the remaining 37% is determined by other factors . Thus the second hypothesis which states that there is a positive and significant effect of the KEMTEK variable on QWL cannot be accepted.

3) Third Hypothesis

There is a positive and significant influence of the Human Resource Management Function (FMSDM) on Competitive Advantage (COMPADV).

The direct effect coefficient of FMSDM on COMPADV $\gamma 21$ is -0.18 while the error value (se pk) is 0.26. If the value of $\gamma 21$ is divided by sep pk, the calculated t value is -0.70. Because the value of t table > 1.974, it can be concluded that the coefficient of the direct effect of KEMTEK on QWL is not significant with an error variance = 0.90 and the coefficient of determination R2 is 0.10, meaning that 10% of the COMPADV variation is explained by variations from FMSDM, the remaining 89% is determined by other factors . Thus the third hypothesis which states that there is a positive and significant effect of the KEMTEK variable on QWL cannot be accepted.

4) Fourth Hypothesis

There is a positive and significant influence of Technology Capability (KEMTEK) on Competitive Advantage (COMPADV).

The direct effect coefficient of KEMTEK on COMPADV $\gamma 22$ is 0.32 while the error value (se pk) is 0.18. If the value of $\gamma 22$ is divided by sep pk, the t-value is 1.83. Because the value of t table > 1.974, it can be concluded that the coefficient of the direct effect of KEMTEK on COMPADV is not significant with an error variance = 0.91 and the coefficient of determination R2 is 0.10, meaning that 10% of the COMPADV variation is explained by variations from KEMTEK, the remaining 89% is determined by other factors . Thus the second hypothesis which states that there is a positive and significant effect of the KEMTEK variable on COMPADV cannot be accepted.

5) Fifth Hypothesis

There is a positive and significant effect of Quality of Work Life (QWL) on Competitive Advantage (COMPADV).

The coefficient of the direct effect of QWL on COMPADV $\beta 13$ is 0.23 while the error value (se pk) is 0.20. If the value of $\beta 13$ is divided by sep pk, the t value is 1.16. Because the value of t table > 1,974, it can be concluded that the coefficient of the direct effect of QWL on COMPADV is not significant with an error variance = 0.91 and the coefficient of determination R2 is 0.10, meaning that 10% of the COMPADV variation is explained by the variation of the QWL, the remaining 89% is determined by other factors . Thus the fifth hypothesis which states that there is a positive and significant effect of the QWL variable on COMPADV cannot be accepted.

In addition to the direct effect, the structural model above also has an indirect causal effect (ICE) and a total causal effect (TCE). To detail ICE and TCE using the output of a completely standardized solution estimate.

A. Total causal effect (TCE) between latent variables

- The total effect of FMSDM on QWL is 0.94, obtained from the DCE (Direct Causal Effect) of FMSDM on QWL of 0.94, while FMSDM has no ICE

(Indirect Causal Effect) on QWL, thus TCE = DCE + $\sum$ICE = 0.94 + 0 = 0.94.

- The total effect of FMSDM on COMPADV is 0.03, obtained from FMSDM's DCE (Direct causal effect) on COMPADV of -0.18, while FMSDM has ICE towards COMPADV through QWL of 0.94 x 0.23 = 0.2162. Thus TCE = DCE +

- $\sum$ICE = -0.18 + 0.2162 = 0.03. The total effect of KEMTEK on QWL is -0.26, obtained from the DCE (Direct causal effect) of KEMTEK on QWL of -0.26, while KEMTEK has no ICE (Indirect Causal Effect). Thus TCE = DCE + $\sum$ICE = -0.26 + 0 = -0.26.

- The total effect of KEMTEK on COMPADV is 0.26, obtained from the DCE (Direct causal effect) of KEMTEK on COMPADV of 0.32, while KEMTEK has an ICE of COMPADV through QWL of -0.26 x 0.23 = -0.0598. Thus TCE = DCE + $\sum$ICE = 0.32 + -0.0598 = 0.26.

- The total effect of QWL on COMPADV is 0.23, obtained from the DCE (Direct Causal Effect) QWL on COMPADV is 0.23, while QWL on COMPADV has no ICE (Indirect Causal Effect) thus TCE = DCE + $\sum$ICE = 0.23 + 0 = 0.23.

B. Indirect causal effect (ICE) between latent variables

- Indirect effect of FMSDM on COMPADV 0.22, obtained from ICE FMSDM on QWL 0.94 x 0.23 = 0.22

- Indirect effect of KEMTEK on COMPADV -0.06, obtained from ICE KEMTEK on QWL -0.26 x 0.23 = -0.06

C. Total causal effect (TCE) between endogenous latent variables
   - The total effect (TCE) of QWL on COMPADV is 0.23

D. The total effect (TCE) between endogenous latent variables and the manifest variable/Y indicator

- The total effect of FAIR is 0.47 obtained from the QWL latent variable

- The total effect of HS, RW, RC, TR is 0.48, 0.55, 0.60, 0.84 and the four of them do not have ICE

- The total effect of CA 0.99 from the latent variable COMPADV

E. Indirect effect between endogenous latent variables and manifest variable/Y indicator

- The indirect effect of QWL on CA is 0.23, namely ICE QWL through COMPADV 0.23 x 0.99 = 0.23

F. The total effect (TCE) between endogenous latent variables on the manifest variable/indicator Y

Jurnal Ilmu Manajemen Advantage

```
Completely Standardized Total Effects of KSI on Y

              FMSDM      KEMTEK
             --------    --------
FAIR          0.45       -0.12
  HS          0.45       -0.12
  RW          0.55       -0.15
  RC          0.59       -0.16
  TR          0.79       -0.21
  CA          0.03        0.26
```

Figure 5. Total Effect (TCE) mode Completely Standardized Total Effect
Source: processing data

```
Completely Standardized Solution

        LAMBDA-Y

              QWL       COMPADV
             --------   --------
FAIR          0.47       - -
  HS          0.48       - -
  RW          0.58       - -
  RC          0.63       - -
  TR          0.84       - -
  CA          - -        0.99
```

Figure 6. Lambda-Y Loading Factor
Source: processing data

From the two pictures above it can be concluded that the results of the total influence (TCE):

- The total effect of FMSDM on FAIR of 0.45 is obtained from DCE=0 and ICE through QWL 0.94x0.47 = 0.45, so TCE = 0 + 0.45 = 0.45

- The total effect of FMSDM on HS is 0.45 obtained from DCE=0 and ICE through QWL 0.94x0.48 = 0.45, so TCE = 0 + 0.45 = 0.45

- The total effect of FMSDM on RW is 0.55 obtained from DCE=0 and ICE through QWL 0.94x0.58 = 0.45, so TCE = 0 + 0.45 = 0.45

- The total effect of FMSDM on RC of 0.59 is obtained from DCE=0 and ICE through QWL 0.94x0.63 = 0.59, so TCE = 0 + 0.59 = 0.59

- The total effect of FMSDM on TR is 0.79 obtained from DCE=0 and ICE through QWL 0.94x0.0.84 = 0.79, so TCE = 0 + 0.79 = 0.79

- The total effect of FMSDM on CA of 0.03 is obtained from DCE = -0.18 and ICE through QWL and COMPADV 0.94x0.23x0.99 = 0.214038, so TCE = -0.18 + 0.214038 = 0.03

- The total effect of KEMTEK on FAIR of -0.12 is obtained from DCE=0 and ICE through QWL -0.26x0.47 = -0.12, so TCE = 0 + -0.12 = -0.12

- The total effect of KEMTEK on HS of -0.12 is obtained from DCE=0 and ICE through QWL -0.26x0.48 = -0.12, so TCE = 0 + -0.12 = -0.12

- The total effect of KEMTEK on RW is -0.15 obtained from DCE=0 and ICE through QWL -0.26x0.58 = -0.15, so TCE = 0 + -0.15 = -0.15

- The total effect of KEMTEK on RC of -0.16 is obtained from DCE=0 and ICE via QWL -0.26x0.63 = -0.16, so TCE = 0 + -0.16 = -0.16

- The total effect of KEMTEK on RC of -0.21 is obtained from DCE=0 and ICE via QWL -0.26x0.84 = -0.21, so TCE = 0 + -0.21 = -0.21

- The total effect of KEMTEK on CA of 0.03 is obtained from DCE= 0.32 and ICE through QWL and COMPADV -0.26x0.23x0.99 =- 0.0592, so TCE = 0.32 + (- 0.0592) = 0.26

G. Indirect effect (ICE) between endogenous latent variables on manifest/indicator variables Y

- The indirect effect of QWL on CA is 0.23, obtained from 0.23x0.99 = 0.23

Testing the significance of the effect

The results of the effect significance test can be calculated both the total effect (TCE) and the indirect effect (ICE) of the exogenous and endogenous latent variables which are summarized in the table below:

Table 3. Indirect Causal Effect (ICE) of exogenous to endogenous variables (ETA on KSI)

Variable	ICE coefficient	t-count	t-table	Conclusion
FMSDM → COMPADV	0.22	1.12	1.974	Not significant
KEMTEK → COMPADV	-0.06	-0.86	1.974	Not significant

Source: processing data

From the table above it can be concluded that there is no significant positive indirect effect of the Human Resource Management Function (FMSDM) variable on Competitive Advantage (COMPADV) of 0.22, and t-count of 1.12. This means that the Human Resource Management Function in Hospitals does not affect Competitive Advantage indirectly. And there is no significant indirect effect of the variable Technology Capability (KEMTEK) on Competitive Advantage (COMPADV) of -0.06 with t-count -0.86, this means that Technology Capability in Hospitals has no effect on Competitive Advantage.

Table 4. Indirect Causal Effect (ICE) endogenous latent variables to manifest variables/Y indicators

Variable	ICE coefficient	t-count	t-table	Conclusion
QWL→ CA	0.23	1.16	1.974	Not significant

Source: processing data

From the table above it can be concluded that there is no significant indirect effect of the Quality of Work Life (QWL) variable on Competitive Advantage of 0.23 with t-count 1.16. This means that the Quality of Work Life of hospital employees has no effect on competitive advantage with the best cost provider (CA) strategy indicator variable.

Table 5. Total Causal Effect (TCE) of Endogenous Latent Variables on manifest variables/Y indicators

Variable	TCE	t-count	t-table	Conclusion
QWL→ FAIR	0.47	**	1.974	Significant
QWL→ HS	0.48	5.04	1.974	Significant
QWL→ RW	0.55	4.98	1.974	Significant

QWL→ RC	0.60	4.72	1.974	Significant
QWL→ TR	0.84	4.94	1.974	Significant
QWL→ CA	0.23	1.16	1.974	Not significant

**: Set by default by LISREL, t-values are not estimated. Target value t≥2
Source: processing data

The table above is the total effect of endogenous latent variables on the Y indicator variable, where:

a. The Quality of Work Life (QWL) variable has a total positive effect of 0.47 and is significant on the Fair Pay and Autonomy (FAIR) indicator variable with t-count (≥2) > from t-table (1.974), meaning Quality of Work Life (QWL) employees are affected by fair wages, so that wage increases can improve the Quality of Work Life (QWL) of employees.

b. The Quality of Work Life (QWL) variable has a total positive effect of 0.48 and is significant on the Health and Safety at Work (HS) indicator variable with t-count (5.04) > t-table (1.974), this means Quality of Work Life (QWL) of employees is influenced by occupational health and safety, so if health and safety at work are met, the Quality of Work Life (QWL) of employees will increase.

c. The Quality of Work Life (QWL) variable has a positive total effect of 0.55 and is significant for the Reward System (RW) indicator variable with t-count (4.98) > t-table (1.974), this means Quality of Work Life (QWL) employees are influenced by the reward system, so that if the reward system at the hospital runs well, the Quality of Work Life (QWL) will increase.

d. The Quality of Work Life (QWL) variable has a total positive effect of 0.60 and is significant on the Recognition of Effort (RC) indicator variable with t-count (4.72) > from t-table (1.974), this means Quality of Work Life (QWL)) employees are influenced by the recognition of employee efforts. The more employees' work efforts are recognized, the higher their Quality of Work Life (QWL).

e. The Quality of Work Life (QWL) variable has a total positive effect of 0.84 and is significant on the Training and Development (TR) indicator variable with t-count (4.94) > from t-table (1.974), this means Quality of Work Life (QWL)) employees are affected by training and development, so if development and training are increased, the Quality of Work Life (QWL) will increase.

f. The Quality of Work Life (QWL) variable has no total positive and significant effect on the indicator variable a best cost provider strategy of 0.23 with t-count (1.16) > from t-table (1.974), this means Employee Quality of Work Life (QWL) is not affected by competitive advantage with the best cost provider strategy techniques.

From the explanation above it can be seen that the Training and Development variable has a very strong influence on the Quality of Work Life (QWL). Where has a value of 0.84 with t-table 4.94.

Table 6. Total Causal Effect (TCE) of Exogenous Latent Variables on the manifest variable/Y indicator

Variable	TCE	t-count	t-table	Conclusion
FMSDM→ FAIR	0.45	4.20	1.974	Significant
FMSDM→ HS	0.45	3.93	1.974	Significant
FMSDM→ RW	0.52	4.70	1.974	Significant
FMSDM→ RC	0.57	4.72	1.974	Significant
FMSDM→ TR	0.79	5.25	1.974	Significant

FMSDM→ CA	0.03	0.24	1.974	Not significant

Variabel	TCE	t-count	t-table	Conclusion
KEMTEK→ FAIR	-0.12	-1.41	1.974	Significant
KEMTEK→ HS	-0.12	-1.37	1.974	Significant
KEMTEK→ RW	-0.14	-1.44	1.974	Significant
KEMTEK→ RC	-0.16	-1.44	1.974	Significant
KEMTEK→ TR	-0.21	-1.43	1.974	Significant
KEMTEK→ CA	0.26	1.69	1.974	Not significant

Source: processing data

The table above is a table of the total effect between exogenous variables on indicator variables, that is:

a) The Human Resource Management Function (FMSDM) variable has a total positive effect of 0.45 and is significant on the Fair Pay and Autonomy (FAIR) indicator variable with t count (4.20) where t count > from t table (1.974), meaning ENOUGH indicator variables will increase if the QWL variable increases. This underlies the increasing function of human resource management, so that the level of fair pay and autonomy will increase so that performance measures can determine resources.

b) The Variable Function of Human Resource Management (FMSDM) has a total positive effect of 0.45 and is significant on the Health and Safety (HS) indicator variable with t count (3.93) where t count > t table (1.974), meaning that the indicator variable HS will increase if the QWL variable increases. The importance of the role of the human resource management function greatly impacts the level of health and safety of employees, so that the underlying conditions and circumstances of employees play a very important role in performance.

c) The Human Resource Management Function (FMSDM) variable has a total positive effect of 0.52 and is significant on the Reward System (RW) indicator variable with t count (4.70) where t count > t table (1.974), meaning that the RW indicator variable will increase when the QWL variable increases. With the functioning of human resource management in the company, the leadership will refer to the reward system for employees who play a very important role in the company's resources.

d) The Human Resource Management Function (FMSDM) variable has a total positive effect of 0.57 and is significant on the Recognition of Effort (RC) indicator variable with t count (4.72) where t count > t table (1.974), meaning that the indicator variable RC will increase if the QWL variable increases. The results of this explanation state that a very good Quality of Work Life can improve employee performance and also the recognition of effort function plays a very important role in the human resource management function.

e) The Human Resource Management Function (FMSDM) variable has a total positive effect of 0.79 and is significant on the Training and Development (TR) indicator variable with t count (5.25) where t count > t table (1.974), meaning that the TR indicator variable will increases if the QWL variable increases. With training and development for employees, it can spur employees from quality work life so that it will further improve the function of human resource management and also employees who have carried out training and development will be able to determine their performance.

f) The Human Resource Management Function (FMSDM) variable has no total positive and insignificant effect on the best cost provider strategy (CA) indicator variable of 0.03 with t count (0.24) t count < of t-table (1.974), this means that the Human Resource Management Function (FMSDM) of employees does not have a total influence on competitive advantage with the best cost provider strategy techniques.

g) The Technological Capability Variable (KEMTEK) has no significant effect on the Fair Pay and Autonomy (FAIR) indicator variable where the value is -0.12 with t count (-1.41) where t count <t table (1.974), meaning that the FAIR indicator variable will increases if the QWL variable increases, this will decrease the KEMTEK variable. By increasing technological capabilities for employees, it will determine the quality of work life as well as increasing fair pay and autonomy for employees.

h) The Variable of Technology Capability (KEMTEK) has no significant effect on the total Occupational Health and Safety (HS) indicator variable where the value is -0.12 with t count (-1.37) where t count <t table (1.974) means the variable the HS indicator will increase when the QWL variable increases it will decrease the KEMTEK variable. This explains that technological ability is very much determined by health and safety where it can support the quality of work life for every employee.

i) The Variable of Technology Capability (KEMTEK) has no significant effect on the reward system indicator variable (RW) where the value is -0.14 with t count (-1.44) where t count <t table (1.974) means that the variable the RW indicator will increase when the QWL variable increases it will decrease the KEMTEK variable. The role of technological ability does not have an impact on quality work life because the employee's ability to technology actually enhances human resources so that quality work life cannot really determine technological ability.

j) The Variable of Technology Capability (KEMTEK) has no total significant effect on the Recognition of Effort (RC) indicator variable where the value is -0.16 with t count (-1.44) where t count > from t table (1.974), meaning that the variable the RC indicator will increase if the QWL variable increases it will decrease the KEMTEK variable. These results explain that technological capabilities are not necessarily related to recognition of effort, but recognition of effort plays an important role in the quality of work of life and technological capabilities can only increase employee capacity.

k) The Variable of Technology Capability (KEMTEK) has no significant effect in total on the Training and Development (TR) indicator variable where the value is -0.21 with t count (-1.43) where t count > t table (1.974), meaning that the variable the TR indicator will increase if the QWL variable increases it will decrease the KEMTEK variable. In line with the research results, technological capabilities are not a relationship for employees to training and development, but with the quality of work capacity of employees will improve how employees can work.

l) The Technology Capability Variable (KEMTEK) does not have a significant total effect on the best cost provider strategy indicator variable (CA) where the value is 0.26 with t count (1.69) < from t table (1.974), meaning that the provider strategy indicator variable the best costs will increase if the QWL variable increases, it will decrease the KEMTEK variable. In line with the results of research on technological capabilities on the cost provider strategy is an indicator of a business in terms of operational costs, so that by increasing technological capabilities the company will no longer incur greater costs.

CONCLUSION

Based on the results of the analysis and discussion, the following conclusions are obtained: The results of the study show that the effect of the Human Resource Management Function (FMSDM) on Quality of Work Life (QWL) is significant and also has a positive influence on ABC Hospital. The effect of Technology Capability (KEMTEK) on Quality of Work Life (QWL) is insignificant and has a negative effect on ABC Hospital. The influence of the Human Resource Management Function (FMSDM) on Competitive Advantage is not significant and has a positive influence on ABC Hospital. The Effect of Technology Capability (KEMTEK) on Competitive Advantage is not significant and has a positive influence on ABC Hospital. The effect of Quality of Work Life (QWL) is not significant and has a positive effect on ABC Hospital.

REFERENCES

Ali, A.H, and M Taher. 2013. "The Relantionship between Personality Traits with Life Satisfaction." 3(1): 99–105.

Arthur, J. (1994). Effects of human resource systems on manufacturing performance and turnover. Academy of Management Journal, vol. 37, no. 3, pp. 670-87.

Awaluddin, L., Adam. L. O. B., dan Maharni, S. W. (2016). The Influence of Job Satisfaction, Integrity and Motivation on Performance, The International Journal of Engineering and Science, 5, 47-52.

Barney, Jay. 1991. "Firm Resources and Sustained Competitive Advantage." *Journal of Management* 17(1): 99–120.

Arthur, J. (1994). Effects of human resource systems on manufacturing performance and turnover. Academy of Management Journal, vol. 37, no. 3, pp. 670-87.

Douglas, Thomas J., and Joel A. Ryman. 2003. "Understanding Competitive Advantage in the General Hospital Industry: Evaluating Strategic Competencies." *Strategic Management Journal* 24(4): 333–47.

Didi Sundiman.2017. Human Resource Management in the Enhancement Processes of Knowledge Management. Binus Business Review, 8(3), November 2017, 167-173

Falentina K. G. Rani.2018. "The influence of integrity, competence, and professionalism towards employee Labor productivity Accounting department at PT. Bank Mandiri (Persero) Tbk Manado".Accounting Research Journals Going Concern 13(3), 2018,41-51.

Gamble, J. E., Peteraf, M. A, and A. A. T Jr. 2015. *Essentials of Strategic Management : The Quest for Competitive Advantage*. McGraw-Hill Education.

Hosseini, Seyed Mehdi, Gholamreza Mehdizadeh Jorjafki, and Ali Mehdizadeh Ashrafi. 2010. "Notice of Retraction: Quality of Work Life(QWL) and Its Relationship with Performance." In *2010 IEEE International Conference on Advanced Management Science(ICAMS 2010)*, IEEE, 559–62.

Kanten, P. 2014. "Effect Of Quality Of Work Life (Qwl) On Proactive And Prosocial Organizational Behaviors: A Research On Health Sector Employees." *The Journal Of Faculty Of Economics And Administrative Sciences*.

Kashani, Farideh Haghshenas. 2012. "A Review on Relationship between Quality of Work Life and Organizational Citizenship Behavior (Case Study: An Iranian Company)." *Journal of Basic and Applied Scientific Research* 2(9): 9523–31.

Mohammadi, Mehdi, Mahdi Elyasi, And Mostafa Mohseni Kiasari. 2014. "Developing A Model For Technological Capability Assessment — Case Of Automotive Parts Manufacturers In Iran." *International Journal of Innovation and Technology Management* 11(02): 1450014.

Nanjundeswaraswamy, T. S, and D. R Swamy. 2013. "Review Of Literature On Quality Of Worklife." *International Journal for Quality Research* 7(2): 201–14.

Porter, Michael E. 1985. "Technology And Competitive Advantage." *Journal of Business Strategy* 5(3): 60–78.

Reichert, Fernanda Maciel, and Paulo Antônio Zawislak. 2014. "Technological Capability and Firm Performance." *Journal of technology management & innovation* 9(4): 20–35.

Rony, Zahara Tussoleha. 2016. *Siapa Harus Pergi, Siapa Harus Tinggal (Strategi Mencegah Turnover Karyawan Gen-Y)*. Jakarta: PSSDM.

Rony, Zahara Tussoleha. 2017. "The Causes Factors of Employee Turnover Intention." *ADRI International Journal of Psychology 1* 1: 1–13.

Rony, Zahara Tussoleha, Mahmuddin Yasin, Fatimah Malini Lubis, and Faroman Syarief. 2020. "Innovative Leader Strategies Build The Countinous Learning In Employee Voluntary Turnover Situations (Case Study in The Production Division in One of Indonesia's National Private Television Companies in 2015-2018)." *Journal of Xi'an University of Architecture & Technology* 12(2): 1645–58.

Renata Peregrino de Brito.2016. The Relationship Between Human Resource Management and Organizational Performance. BBR, Vitória, v.13, n. 3, Art. 5, p. 90 - 110,maio-jun. 2016

Reza Alami.2015. The Influences of Human Resource Management on Improving the Performance

of Education Staff. International Journal of Business and Social Science Vol. 6, No. 5; May 2015

Stanislaus Wembly Wetik. 2018. "Analysis Of The Effect Of Commitment and Integrity On Performance Through Employee Competence In The City of Manado". Journal Of Management. Vol 1, No 3 (2018)

Schuler, Randall S. 1992. "Strategic Human Resources Management: Linking the People with the Strategic Needs of the Business." *Organizational Dynamics* 21(1): 18–32.

Sugiyono. 2010. *Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, Dan R&D*. Alfabeta.

Wahlström, R. M., and A. Suurnäkki. 2015. "Enzymatic Hydrolysis of Lignocellulosic Polysaccharides in the Presence of Ionic Liquids." *Green Chemistry* 17(2): 694–714.

Wen-Cheng, Wang, Lin Chien-Hung, and Chu Ying-Chien. 2011. "Types of Competitive Advantage and Analysis." *International Journal of Business and Management* 6(5).

Human Resources Management Function, Technology Capabilities and Quality of Work Life Towards Competitive Advantage

Human Resources Management Function, Technology Capabilities and Quality of Work Life Towards Competitive Advantage

FINAL GRADE

/0

GENERAL COMMENTS

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14

PAGE 15

PAGE 16

PAGE 17