



## Employee Performance Analysis: The Role of Compensation, Training and Motivation

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**Abstract:** Employee Performance Analysis: Compensation, Training and Motivation is a scientific article in the literature study within the scope of Human Resource Management. The purpose of this article is to build a hypothesis on the relationship between variables that will be used in future research. Research objects in online libraries, *Google Scholar*, *Mendeley* and other academic *online media*. The *library research* method, from *e-books* and *open access e-journals*. The result of this article is that: 1) Compensation plays a role in implementation employee performance; 2) Role training in implementation employee performance; and 3) Role motivation in the implementation of employee performance.

**Keyword:** Employee Performance, Compensation, Training and Motivation

### INTRODUCTION

Every student, whether Undergraduate, Undergraduate or Undergraduate, must conduct research in the form of a thesis, thesis and dissertation. Likewise for lecturers, researchers and other functional staff who actively conduct research and create scientific articles for publication in scientific journals. Scientific work is one of the requirements for students to complete their studies at most universities in Indonesia. This provision applies to all levels of Human Resources, namely undergraduate thesis (S1), undergraduate thesis (S2) and third-level dissertation (S3). Based on empirical experience, many students and writers have difficulty finding supporting articles for their scientific work as previous research or as relevant research. Relevant articles are needed to strengthen the theory studied, to see the relationship or role between variables and build hypotheses. This article discusses the role of compensation, training, and motivation in implementing employee performance, a literature review study in the field of Human Resource Management.

### LITERATURE REVIEW

#### Compensation

Compensation is something employees receive in lieu of their service contribution to the company. Compensation is one of the implementation of HRM functions related to all types of

individual awards in exchange for carrying out organizational tasks. Compensation is the main cost of expertise or work and loyalty in the company's business (Rivai, 2007).

Compensation is an award to employees in a fair and proper manner for work achievements and for services that have been issued towards organizational goals in order to achieve organizational goals. With this positive impact, it will certainly provide benefits for the organization/company which will attract employees with a high level of competence to work in organizations and companies (M. Kadarisman, 2012).

Compensation is an acceptance as a reward from giving work to a job recipient for a job or service that has been performed, and serves as a guarantee for the continuity of a decent life for humanity and is valued in the form of money determined according to an agreement, statutory regulations and paid for the basis of a work agreement between the employer and the recipient of the work (Heidjrachman, 2002).

From this description it can be concluded that compensation is something that is given by the company to employees as a reward for their services and this compensation can be valued in money or without money and has a constant trend.

### **Training**

Training is defined as a planned effort by an organization to increase employee knowledge, skills and abilities. Therefore, training is often used as a solution to organizational performance problems (Marihot, 2007). Training is a systematic and planned effort to change or develop new knowledge, skills, attitudes that suit the needs of the organization (Donni Juni Priansa, 2014). Training is a process for employees to acquire skills that support work performance. Training is provided with identifiable specific knowledge and skills for the current job (Mathis and Jackson, 2006). From some of the opinions regarding the training above, it can be concluded that training is a process whereby employees get additional abilities and work skills in carrying out their work.

### **Motivation**

Motivation is the provision of driving force that creates the excitement of one's work so that they want to work together, work effectively and integrate with all their resources and efforts to achieve satisfaction (Malay SP Hasibuan, 2005). Motivation comes from the Latin word *movere* which means encouragement, desire, cause or reason for someone to do something. Motivation is a process that plays a role in the intensity, direction, and duration of individual efforts towards achieving goals (Robbins, 2008). There are two types of factors that encourage someone to try to achieve satisfaction and distance themselves from dissatisfaction (Herzberg, 2007). These two factors are called hygiene factors (extrinsic factors) and motivating factors (intrinsic factors). Hygiene factors motivate someone to get out of dissatisfaction, including human relations, rewards, environmental conditions, and so on (extrinsic factors), while motivating factors motivate someone to try to achieve satisfaction, which includes achievement, recognition, progress in life, etc. (intrinsic factor). According to the definition above, it can be concluded that motivation is an inner desire that encourages someone to be able to do something as well as possible and want to get the best possible results.

### **Performance**

Performance is the result of work in quality and quantity that is achieved by an employee or an employee in carrying out their duties in accordance with the responsibilities given to them (Anwar P. Mangkunegara, 2008). Performance is basically what employees do or don't do. Employee performance is what influences how much they contribute to the organization which includes output quantity, output quality, output period, workplace attendance, cooperative attitude (Mathis, 2000). It often happens that employee performance decreases due to the

possibility of discomfort at work, minimum salary or wages, motivation and also dissatisfaction at work. Performance is what is done or not done by employees. General employee performance for work includes the following elements: (a) quantity of results, (b) quality of results, (c) timeliness of results, (d) attendance and (e) ability to work together (Mathis and Jackson, 2009). From the opinion above, it can be concluded that employee performance is a level of progress of an employee on the results of his efforts to positively improve abilities in his work.

**RESEARCH METHOD**

The method of writing this Literature Review article is the Qualitative Descriptive method and Library Research, sourced from the *Google Scholar online application, Mendeley* and other online academic applications.

In qualitative research, literature review must be used consistently with methodological assumptions. This means that it must be used inductively so that it does not direct the questions posed by the researcher. One of the main reasons for conducting qualitative research is that the research is exploratory in nature, (Ali, H., & Limakrisna, 2013) .

**FINDINGS AND DISCUSSION**

**Relevant Article Review**

Reviewing relevant articles as a basis for establishing research hypotheses by explaining the results of previous studies, explaining similarities with research plans and differences in research plans with previous authors.

**Table 1. Reviewing Relevant**

No	Authors (Year)	Previous Research Results	Similarities With This Article	The Difference With This Article	hypothesis
1	Mamik Eko Supatmi, Umar Nimran, Hamidah Nayati Utami (2013)	Compensation and training have a significant effect on employee satisfaction and employee performance. Job satisfaction also affects employee performance.	Compensation affects employee performance	Job satisfaction affects employee performance	H1
2	Max Saleleng, Agus Supandi Soegoto (2015)	Work environment, motivation, training, and compensation have a positive and significant effect on employee performance	Compensation affects employee performance	The work environment influences employee performance	H1
3	Sopar Sihar Imanuel Siagian (2015)	Training, compensation, motivation and work discipline have a positive and significant effect on employee performance	Compensation affects employee performance	Work discipline affects employee performance	H1
4	Muhammad Ekhsan (2019)	Compensation, training and motivation have a positive and significant effect on employee performance	Training has a positive and significant effect on employee performance	-	H2
5	Leonardo William Goni, Adolfina, Jacky Sumarauw (2015)	Training, job placement and compensation have a positive and significant effect on employee performance	Training affects employee performance	Work placement affects employee performance	H2

6	Eli Yulianti (2015)	Training has a significant effect on employee performance	Training affects employee performance		H2
7	Emmy Juliningrum, Achmad Sudiro (2013)	Compensation, motivation and organizational culture have a positive and significant effect on employee performance	Motivation affects employee performance	Work culture influences employee performance	H3
8	Doni Bachtiar (2012)	Motivation and work environment affect employee performance	Motivation affects employee performance	The work environment influences employee performance	H3
9	Francis Ady, Djoko Wijono (2013)	Motivation affects employee performance	Motivation affects employee performance	-	H3

**Influence Analysis between Variables**

**Effect of Compensation on Employee Performance.**

Compensation affects employee performance, where the dimensions or indicators of compensation (direct compensation consist of employee payments in the form of wages, salaries, bonuses or commissions, indirect compensation in the form of holidays, various types of insurance, services such as child care or religious care, and so on) affect the dimensions or indicators of employee performance, (Sopar Sihar Imanuel Siagian, 2015). This is in line with research that compensation has a significant effect on employee performance (Mamik Eko Supatmi, Umar Nimran, Hamidah Nayati Utami, 2013) The better the employee's compensation satisfaction, the better the employee's performance (Handoko and Sjafri, 2008). So that compensation has a significant effect on employee performance, (Max Saleleng, Agus Supandi Soegoto, 2015). Compensation affects employee performance, this is in line with research conducted by: (Mamik Eko Supatmi, Umar Nimran, Hamidah Nayati Utami, 2013), (Max Saleleng, Agus Supandi Soegoto, 2015), and (Sopar Sihar Imanuel Siagian, 2015).

**Effect of Training on Employee Performance.**

Training affects employee performance, where training dimensions or indicators (productivity, quality, workforce planning, morale, indirect compensation) affect employee performance dimensions or indicators, (Sikula, 2001). training is proven to have an influence on employee performance. This indicates that training is one of the variables, although not the strongest variable that influences employee performance (Rori, 2014). Training affects employee performance, if training is well perceived by employees on employee performance, this is in line with research conducted by: (Leonardo William Goni, Adolfina, Jacky Sumarauw, 2015), (Eli Yulianti, 2015), and (Muhamad Ekhsan, 2019).

**The Effect of Motivation on Employee Performance.**

Motivation affects employee performance, where the dimensions or indicators of motivation (execution success, recognition, the work itself, responsibility, development) affect the dimensions or indicators of employee performance (effectiveness and efficiency, responsibility, discipline, initiative), (Franciskus Ady and Djoko Wijono, 2013). motivation directly has a positive effect on employee performance (Emmy Juliningrum and Achmad Sudiro, 2013). Someone who is motivated to work will produce optimal performance. (Doni Bachtiar, 2012). Motivation affects employee performance, if training is well perceived by employees on employee performance, this is in line with research conducted by: (Doni Bachtiar, 2012), (Emmy Juliningrum, Achmad Sudiro, 2013), and (Franciskus Ady, Djoko Wijono, 2013).

### Research Conceptual Framework

Based on the formulation of the problem, theoretical studies, relevant previous research and discussion of the influence between variables, the framework for thinking of this article is processed as below.

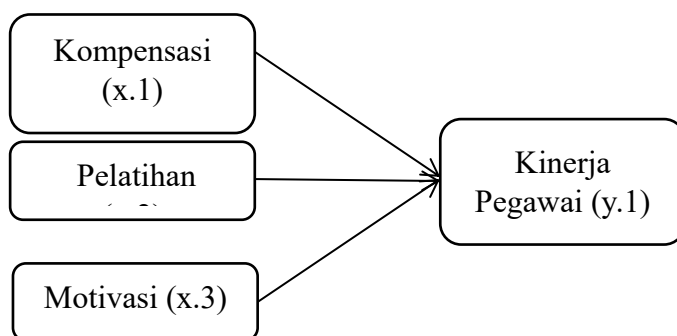


Figure 1: Research Conceptual Framework

Based on the conceptual framework above, then: compensation, training, and motivation play a role in the implementation of employee performance. Apart from these three exogenous variables that play a role in implementing employee performance, there are many other variables including:

- 1) Job satisfaction: (Pushpakumari, 2008),
- 2) Work environment: (Nitisemito, 2004) ,
- 3) Work discipline: (Arikunto, 2008) and (Setiyawan and Waridin, 2009)
- 4) Organizational culture/work culture: (Nystrom, 1993)
- 5) Work placement: (Andrizul and Jose Rizal, 2013) and (Rori, 2014)

### CONCLUSION

Based on the formulation of the problem and discussion of this article, the conclusion is to formulate a hypothesis for further research, namely: Compensation plays a role in implementing employee performance; Training plays a role in implementing employee performance; Motivation plays a role in implementing employee performance.

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