

## COMPENSATION, MOTIVATION, AND JOB SATISFACTION EFFECTS ON EMPLOYEE PERFORMANCE IN THE COMPANY

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### ABSTRACT

Compensation, motivation, and job satisfaction are all factors that influence employee performance. Compensation is the number of benefits that an organization provides to employees in exchange for hiring them. This study used a qualitative research method in the form of literature studies or library research. To examine a theory, this type of research compares several existing theories in the literature or the results of previous research contained in scientific articles relevant to the field of human resource management. All cited scientific articles were located using Mendeley and Google Scholar literacy data searches. Based on the review and discussion of the literature, a conclusion can be drawn. 1. Employee compensation for leaders has a significant impact on company performance. 2. Employee motivation by leaders has a significant impact on the quality of employee performance. 3. Workplace satisfaction has a significant impact on employee performance quality.

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## 1. INTRODUCTION

Companies in the fields of industry, trade, and services will always try to carry out activities in order to achieve the goals that have been set. One of the most important aspects is the success of the activities carried out in it in carrying out activities to achieve a goal, which is dependent not only on current technological prowess, available facilities, and available infrastructure, but also on utilizing available human resources. Human Resource Management (MSDM) is a general management field that includes various aspects of controlling, implementing, organizing, and planning (Rivai, 2013). It takes the success of employees in carrying out their duties in a company to bring an organization to its full potential. Employee performance can be considered successful if the company where they work is growing.

Employee performance is defined as the amount and quality of work completed by employees in carrying out their duties in accordance with the responsibilities that have been assigned to them (Mangkunegara, 2011). Employees perform their duties in an efficient and effective manner.

Compensation, motivation, and job satisfaction are all factors that influence employee performance. Compensation refers to the number of packages offered by the organization to employees in exchange for using employees in the company (Wibowo, 2014). Compensation is thought to be comparable. Employee motivation is something that causes, distributes, and supports employee behavior so that they are more likely to work and achieve the best results possible (Hasibun, 2014). Job satisfaction is an emotional state in which employees perceive their work to be pleasant or unpleasant. Job satisfaction expresses a person's feelings about his or her job (Handoko, 2014).

This article will examine the effect of compensation (X1), motivation (X2), and job satisfaction (X3) on employee performance in a study of the Human Resource Management Literature Review (Y1).

## 2. LITERATURE REVIEW

### 2.1. Competation

According to Werther Jr. and Davis (1981), is what employees receive in exchange for their efforts. Employee compensation is typically designed and administered by the personnel department (whether

hourly wages or periodic salaries). Kadarisman (2012), on the other hand, defines compensation as a Human Resource Management (HRM) function that refers to any type of reward received by individuals in exchange for performing organizational tasks. Employees trade their time and effort for monetary and non-monetary rewards.

Compensation, according to Kadarisman (2012), is the act of remunerating employees. This means that employees who have helped the company grow are rewarded. Motivation "Work motivation is a set of energetic forces that both originate within and beyond an individual's being, to initiate work-related activities and to determine their form, direction, intensity, and duration," writes Pinder (2008). In other words, work motivation is a force that arises both within and without an individual being to initiate work and to determine the form, direction, intensity, and duration of the work performed.

## 2.2. Motivation

Motivation is defined by the word "motive," which means "as a result of someone doing something" (Lumbantobing, 2020). This indicates that a person, in this case, an employee, will do something pleasurable for him. If he doesn't like it, he won't do it. This principle does not apply in situations where a person might engage in undesirable behavior under certain circumstances. Motivation, according to the statement (Pusparani, 2021), is a process of courting behavior on recorded goals. In terms of existing components. Not arousing, directing, maintaining, demonstrating continuous intensity, and having a purpose are all examples of motivation.

Motivation includes not arousing, directing, maintaining, demonstrating continuous intensity, and having a goal.

Moreover, (Yunita, 2021) adds that motivation is a driving force in causing an employee or member of an organization to want and be willing to do something in accordance with what the company orders, in this case, the boss or organization. An employee who is well motivated will perform all of his duties on his own, based on his abilities and skills, in accordance with the work assigned to him (Effendy, 2018).

Work motivation is a driving force for someone to do a good job; it is also a factor that determines success and failure in many ways, and it is an important emotional energy for a new job. Meanwhile, Fathoni (2006) defines motivation as "the driving force that causes a member of an organization to be willing and willing to mobilize abilities in the form of expertise or skills, energy, and time to carry out various activities for which they are responsible and fulfill their obligations, in order to achieve goals and various targets." predefined structur.

## 2.3. Job satisfaction

According to Davis (1989), "Job Satisfaction is the favorableness or unfavorability with which employees view their work," which means that job satisfaction is a feeling of support or unsupport that employees experience at work. Kurniawan (2019) defines job satisfaction as a person's thoughts, feelings, and tendencies for action, which is his attitude toward his work. Job satisfaction is related to workers' emotional states, and whether or not there is a meeting point between everything in the form of services provided by workers and the level of remuneration provided by the company. Thus, everything provided by the company to its employees has a significant impact on the level of satisfaction, which has an impact on the attitude shown by employees toward their work. According to George and Jones (2012), job satisfaction is a set of feelings, beliefs, and thoughts about how a person responds to his work. That is, job satisfaction is a collection of employee feelings toward their work, whether they are happy or unhappy as a result of employee interaction and evaluation of their work and work environment. Work entails interacting with coworkers and superiors, adhering to organizational rules and policies, and meeting performance standards.

Individual performance and group or organizational performance are two types of performance (Pusparani, 2021). An employee who receives a material or non-material award from his leadership is one of the outcomes of his or her individual performance. Individual performance is the result of an employee's work in the form of quality and quantity that is measured based on operational standards established by the company. Meanwhile, group performance can refer to a group of people who collaborate to complete a task well (Alqudah et al., 2022).

The meaning of performance according to is the work results obtained by an employee in carrying out the duties of the company based on the abilities and qualifications that have been measured by the company. Meanwhile, (Huang et al., 2020) adds that an employee's work performance is the level of ability and understanding of a person toward the work that the company carries out for him. Another viewpoint is that performance is important. Employee achievement at work in accordance with the responsibilities

assigned (Votto et al., 2021).

As a result, the quality of an employee's performance can be concluded from a comparison of the company's achievements and the encouragement provided by the company, which in this case can include the human resources, namely the employee himself, as well as the costs incurred to pay the employee. Work performance, also known as work results, is the impact of employees' quality of performance on the company. So that he receives the recognition he deserves from his leadership. A good leader, of course, will be pleased when giving awards to employees, when giving gifts or something praise that will motivate these employees to be more active at work.

Some of the factors that influence the quality of employee performance are the working conditions, how employees obtain management behavior, the design of positions implemented in the company, how performance appraisal is measured, feedback on everything employees do, and how much the salary and rewards are for each performance. what employees do (Agarwal, 2021).

An employee will generally be a good employee based on two factors: age, temperament, physique, and motivation. The second group includes external factors such as physical condition, noise from the workplace, lighting obtained at work, working time and rest opportunities, length of work, wages, organizational form, social and family environment (Tensay & Singh, 2020).

### 3. METHOD

This study employed a qualitative research method in the form of literature studies or library research. This type of research compares several existing theories in the literature or the results of previous research contained in scientific articles relevant to the field of human resource management to examine a theory. Mendeley and Google Scholar literacy data searches were used to find all cited scientific articles. The format of qualitative research in literature research or literature study is a literature review that is consistent with several appropriate methodological opinions. Wydyanto and Ilhamalimy (2002) It must be used inductively so that researchers' questions are not directed. The purpose of conducting qualitative research is to conduct exploratory research. Furthermore, an in-depth discussion is conducted on the relevant section of literature or the literature being reviewed, because this section is the foundation for formulating hypotheses and will later become material for comparison with the results or findings from previous research results to reveal the truth of the existing theory (Permatasari and Jaelani, 2021 ).

### 4. RESULT AND DISCUSSION

#### 4.1. The Impact Of Compensation On Employee Performance In The Company

All monetary and material benefits received by employees in exchange for services rendered to the company are included in compensation. Since the implementation of compensation, employees have become more eager to complete the work and responsibilities assigned to them by the company's leadership. When employees receive compensation, they believe they are receiving appreciation from a worthy leader. Compensation and employee performance (study of PT. Asuransi Jiwasraya Persero regional office Malang employees) (Pratama, 2015) According to the findings of this study, compensation has an effect both simultaneously and partially with compensation.

Dominating the financial industry The Effect of Compensation on Employee Performance with Work Motivation as a Moderating Variable (Study at the Bank Syariah Mandiri Yogyakarta Branch Office) (Firmindari, 2014).

#### 4.2. The impact of motivation on employee performance in the Company

Job satisfaction refers to employees' feelings of pleasure or displeasure while performing their duties (Yue, 2021). When an employee performs his or her job, he or she brings all of his or her desires, needs, and past experiences with him or her, which form the employee's work expectations. This hope motivates employees to work. When the leader is able to provide this motivation through appreciation and praise for all work completed (Loor-Zambrano et al., 2022). The greater the likelihood of meeting this work expectation, the higher the level of employee job satisfaction.

Job satisfaction cannot be separated from work motivation, which is an employee's hope (Sharma & Aparicio, 2022). Work motivation contributes to high job satisfaction, which is an accurate description of this relationship. Job satisfaction will be high if the wants and needs of employees who become work motivation are met (Laily, 2013).

Employees value financial compensation because it directly addresses their physiological needs (ngeles López-Cabarcos et al., 2022). Employees, on the other hand, are hoping that their pay will be commensurate with the company's treatment. Non-monetary compensation is equally important to

employees because it influences their career development. (Matahela & van Rensburg, 2022) defines motivation as "something that generates enthusiasm for work." Motivation is the driving force that creates excitement about someone's work, so that they want to work effectively and with all their efforts for satisfaction. Some of the above opinions represent understanding from both an internal perspective, where motivation is seen as coming from within a person, and an external perspective, where motivation is seen as coming from outside a person. Alexandru Capatina, Gianita Bleoju, Florinda Matos, and Vairinhos (2016) These two types of motivation can influence human behavior, and individual behavior is primarily goal-oriented.

#### 4.3. The impact of employee job satisfaction on the performance of employees in the company

According to Robbin (in Wibowo 2014), job satisfaction is a general attitude toward one's work that demonstrates the gap between the number of awards received by employees and the amount they believe they should receive. Job satisfaction, according to the previous theory, has a significant effect on employee performance; the higher the level of job satisfaction, the better the employee performance. Employee Satisfaction and Performance at Siti Khadijah Islamic Hospital Palembang (A Case Study of Non-Medical Employees) (Damayanti et al., 2018) Based on the research and discussion in the previous chapter, it is possible to conclude that job satisfaction has a strong and significant influence on the performance of Siti Khadijah Islamic Hospital Palembang, South Sumatra. Job satisfaction and employee performance in private hospitals in Denpasar, Bali (Damayanti et al., 2018) (2013) (Indrawati) This study found that 1) job satisfaction has a significant positive effect on employee performance, 2) employee performance also has a significant positive effect on customer satisfaction, and 3) job satisfaction has a positive effect on customer satisfaction both directly and indirectly through employee performance.

#### 4.4. Conceptual Framework

Based on the Literature Review and the relationship between variables, the model or Conceptual Framework is:

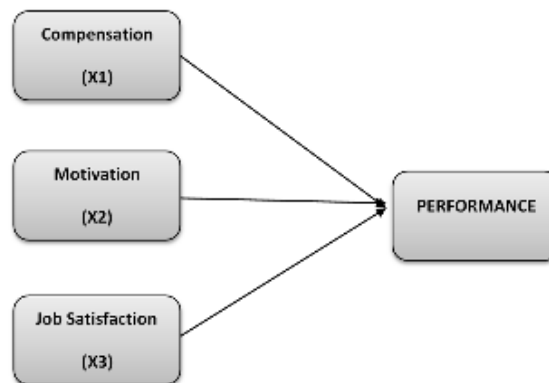


Figure 1. *Conceptual Framework*

### 5. CONCLUSION

Based on the literature review and discussion, it is possible to conclude: The compensation provided by the company's leadership to employees has a significant impact on the company's performance.. Leadership motivation has a significant impact on the quality of employee performance. Workplace satisfaction has a significant impact on the quality of employee performance.

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