Literature Review of Pandemic covid 19 Effects on Employee Compensation

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<th>ARTICLE INFO</th>
<th>ABSTRACT</th>
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<td>ISSN: 2723-1097</td>
<td>This article aims to determine the development of research on Compensation during the Covid 19 pandemic in Indonesia. The method used is a qualitative method by conducting a literature study or literature review. The application used for the literature study is google scholar with the keyword &quot;Covid 19 pandemic compensation&quot;. The results of the survey found nine articles regarding Compensation. The results of this article's analysis indicate that studies regarding payment during the Covid 19 pandemic are studies of the effect of Compensation on employee motivation, employee satisfaction, and employee performance variables. Financial Compensation has a dominant variable in influencing employee motivation. During the Covid 19 pandemic, companies asked to maintain employee motivation by providing monetary Compensation according to their workload.</td>
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| Keywords: | Compensation; Covid 19; Performance; Motivation; Employee Satisfaction |

Introduction

The Covid 19 pandemic period affects the level of human health and affects the level of economic activity. One of the financial activities affected by the Covid pandemic is economic activities in the service sector, such as banking, tourism, and other service companies (Pohan et al., 2020; Sembiring et al., 2020; Yanti et al., 2020).

Entrepreneurs use various kinds of strategies to survive the pandemic. Company management strategies in times of a pandemic can be the company to keep operating with employee shift records or to be virtualized to keep income from the business. This condition is a challenge for company leaders to maintain employee motivation during a pandemic (Wolor et al., 2020). The explanation is the willingness to put out a high level of effort towards organizational goals and meet individual needs (Riniwati, 2011). This motivation can be an indicator of the success of corporate management in the field of human resources. (Permadi, 2020)

According to Siagian (2004), one of the factors that influence work motivation is Compensation. According to Mondy (2008), payment is Compensation for employees' services for the work or work they provide to the company. The amount can not only affect motivation. It can also affect job performance, job satisfaction, and performance (Permadi, 2020). The importance of this Compensation can also see from several
research results regarding the effect of payment on work performance, motivation, job satisfaction, and employee performance during the Covid 19 pandemic. So this article is made to know the development of research on Compensation during the Covid 19 pandemic in Indonesia.

Literature Review

According to Mulyadi (2015), Compensation is something that an organization or company gives in the form of intrinsic and extrinsic rewards to its employees as an award for contributions to the industry. According to Mondy and Noe (in Marwansyah, 2010), there are two types of Compensation: financial and non-financial Compensation. Compensate is monetary Compensation received by employees in the form of money or worth the money. Included in the types of financial Compensation are salaries, incentives, and allowances. non-financial Compensation is Compensation given by the company, especially intending to retain employees in the long term. Included in this type of non-financial Compensation is work in the form of exciting tasks, challenges, responsibilities, recognition, and a sense of accomplishment (Permadi, 2020). Werther and Davis (in Wibowo, 2011) are to obtain quality personnel, retain existing employees, ensure fairness, reward desired behavior, monitor costs, comply with regulations, facilitate mutual understanding, and further administrative efficiency. If appropriately managed, Compensation will help the company achieve its goals and obtain, maintain, and look after employees well (Permadi, 2020).

According to Nurcahyani & Adnyani ( 2016), Compensation can help employees allocate their time and effort to their work to achieve company goals. Compensation is closely related to one's job satisfaction.

Compensation is Compensation for employees' services for the work or work they provide to the company (Mondy, 2008). Rivai and Sagala (2011) state that there are two types of Compensation: financial Compensation and non-financial Compensation. Rewarding from non-financial Compensation given to individuals, such as rewards in promotions, relationships with superiors, and relationships with colleagues and the work environment. (Puspitawati & Atmaja, 2020)

Compensation in Pohan et al.'s ( 2020) research is the basis for implementing human resource management processes. Employee performance can increase along with the increase in employee compensation (Sembiring et al., 2020).

METHOD

This article uses qualitative research methods. The data collection method is the literature review method. The literature used in this article are articles that have been published in both accredited and non-accredited journals. The software used is google scholar. Literature regard research on Compensation based on search results on google scholar with the keyword "Covid 19 pandemic compensation" and the results of study taken in 2020.
Result and Discussion

Research Concerning Compensation During the Covid 19 Pandemic

There have been many studies on the Covid 19 pandemic impact since Covid 19 became a global pandemic. However, for Indonesia, the Covid 19 pandemic began to take its toll in March 2020. The Covid 19 pandemic victims are not only human lives, but also social, economic welfare. The Central Statistics Agency until August 2020 shows that 29.12 million (14.28 percent) working-age population is affected Covid-19. Unemployment because Covid-19 (2.56 million people), not (Labor Force BAK) because of Covid-19 (0.76 million people), temporarily unemployed because of Covid-19 (1.77 million people), and the working population who experienced a reduction in working hours due to Covid-19 (24.03 million people). Thus, studies on employee performance in terms of Compensation are also mostly conducted by academics.

Table 1. List of Employee Performance Research from the Compensation Side in 2020

<table>
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<tr>
<th>Journal Index</th>
<th>Articles</th>
<th>Information</th>
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<tbody>
<tr>
<td>Scopus Q2</td>
<td>1</td>
<td>Sembiring et al (2020)</td>
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<tr>
<td>Scopus Q3</td>
<td>1</td>
<td>Wolor et al. (2020)</td>
</tr>
<tr>
<td>Sinta 4</td>
<td>2</td>
<td>Christy et al (2020); Rahayu &amp; Onida (2020)</td>
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<tr>
<td>Sinta 5</td>
<td>1</td>
<td>Permadi (2020)</td>
</tr>
<tr>
<td>Index Copernicus</td>
<td>2</td>
<td>Yanti et al. (2020); Nguyen et al. (2020)</td>
</tr>
<tr>
<td>Index Garuda (Nasional)</td>
<td>2</td>
<td>Puspitawati &amp; Atmaja (2020); Pohan et al (2020)</td>
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<tr>
<td>Total</td>
<td>9</td>
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Source: scholar.google.com, 2020

Search results from google scholar with the keyword "Covid 19 pandemic compensation" in 2020 found a total of 9 articles seen in table 1 above. Puspitawati & Atmaja (2020) conducted a lecture entitled "The Effect of Compensation on Job Stress and Employee Satisfaction." The purpose of Puspitawati & Atmaja's research (2020) is to determine the effect of Compensation on job stress and job satisfaction for employees of non-star hotels in Denpasar, Bali. The total sample used was 105 respondents who were employees of non-star hotels in Denpasar, Bali. The representatives take using random sampling techniques. The data were collected using a Likert scale questionnaire and processed using path analysis. The results of Puspitawati & Atmaja's research (2020) prove that (1) compensation has a positive and significant effect on job satisfaction, (2) payment has a negative and significant impact on job stress, (3) job stress has a negative and significant effect on job satisfaction.
Pohan et al. (2020) researched Compensation for hotel employees in the Padang area. Research title Pohan et al. (2020) is "Employee Management at Rocky Plaza Hotel, Padang City during the Covid-19 Pandemic " . Research by Pohan et al. (2020) aims to determine how the management of Rocky Plaza Hotel Padang sees from Compensation, discipline, and termination of work relations. This type of research is a descriptive study with qualitative data. Data collection carries out in several ways, namely interviews and observations. In this case, researchers directly conducted interviews with Rocky Plaza Hotel Padang with informants, the human resources department, and several employees. The number of informants in this study was five people. The interview results can conclude that employee compensation is paid half or 50% than usual by complying with health protocols under the supervision of human resources and supervisors from related departments. There are no employment relations with employees during the Covid 19 pandemic at Rocky Plaza Hotel Padang.

Yanti et al. (2020) conducted a study entitled "An Overview of the Work Motivation of Nurses During the Coronavirus Disease (Covid-19) Pandemic in Bali ." This study aims to describe the motivation to work for nurses during the COVID-19 pandemic in Bali. Data analysis found that most nurses' work motivation during the COVID-19 pandemic was in the good motivation category, namely 52.8%. The majority of nurses answered that they agreed on each item of the statement regarding nurses' work motivation except for points one and two. The statement on point one, "The compensation I receive will affect my performance for the better," most of the study participants answered strongly agree, namely 45.1%. While point two is the statement "The compensation I have received so far has been following my workload," the majority of the study participants answered "Disagree," namely 40.9%. The motivation to work good nurses during the COVID-19 pandemic can increase nurses' confidence in providing nursing care to COVID-19 patients.

Sembiring et al. (2020) conducted research entitled "Banking Employee Performance During Covid-19 Pandemic: Remuneration And Motivation ". They knew several factors that affected banking employees' performance, including remuneration and work motivation during the Co-19 pandemic, which motivated the banking industry to improve employee performance. This research conduct using a quantitative method. The population and sample work at a bank in Surabaya, and the incoming data will be processed using SPSS 20. The results show that remuneration and work motivation simultaneously affect employee performance, and remuneration is the most dominant influence on banking employees' performance during the Covid-19 pandemic.

Rahayu & Onida (2020) conducted research entitled "Compensation and Leadership Systems for Outsourcing Employee Job Satisfaction." The purpose of this study was to determine whether compensation and leadership systems can affect job satisfaction for outsourcing employees. The results showed a strong positive correlation between compensation and leadership systems on outsourcing employees' job satisfaction by 64%, with the independent variables of 41%. The variance analysis produces an $F$ calculated value of 20.463 > $F$ table 3, 15 states that Compensation and the leadership
system together affect job satisfaction of outsourcing employees. So it can conclude that the provision of compensation and leadership systems have a significant effect on the joy of outsourcing employees at PT. Bank BNI (Persero).

Wolor et al. (2020) conducted a study entitled "How to Maintain Employee Motivation Amid The Covid-19 Virus Pandemic." The primary purpose of this article is to broaden insights on how to keep employees motivated to work during dangerous conditions, especially nowadays with the outbreak of the Covid-19 virus, by reviewing the existing literature and using qualitative methodologies to support this research. This research uses a systematic review using the PRISMA (Preferred Reporting Items for Systematic Review and Meta-analysis) method, systematically following the correct research stages or protocols. The analysis results from the research of Wolor et al. (2020) in the form of recommendations related to maintaining employee work motivation, namely working from home and work shifts. According to Wolor et al. (2020), All organizations affected by the Covid-19 pandemic can take different approaches to maintain employee motivation at work, such as working from home and working shifts.

Nguyen et al. (2020) conducted a study entitled "Literature Review Factors Affecting Employee Performance: Competence, Compensation, And Leadership." This research looks at three factors are considered influencing employee performance, namely competency factors, Compensation, and leadership style through various relevant research methods and can explain in detail the relationship between performance factors. Based on the article's formulation, the results, and discussion reviewed and discussed in this article, it can conclude that to build a hypothesis for further research are 1) Competence Affects Employee Performance 2) Compensation Affects Employee Performance 3) Leadership Style Affects Employee Performance.

Permadi (2020) conducted research entitled "The Effect of Financial and Non-Financial Compensation on Employee Productivity." This study aims (1) to determine the partially significant effect of financial and non-financial Compensation on employee work motivation at the Main Workshop of Cakranegara Motor; (2) knowing the considerable impact simultaneously of financial and non-financial Compensation on employee work motivation at the Main Workshop of Cakranegara Motor; (3) to find out the more dominant influence between financial and non-financial Compensation on employee work motivation at the Cakranegara Main Motorbike Workshop. Following the research objectives, the type of research used in this study is associative research. The population in this study were all employees totaling 35 people. The people in this study carry out all population members, so it is called the census method. The data collection tool is a questionnaire. A Likert scale analysis tool use with five answer scales. The conclusions in this study were: (1) There is an effect of financial and non-financial Compensation partially significant effect on employee work motivation at the Main Motorbike Workshop Cakranegara; (2) economic and non-financial compensation has a considerable impact simultaneously on the work motivation of employees at the Main Workshop of Cakranegara Motor; (3) Financial
compensation has a more dominant influence on employee motivation at the Main Workshop of Cakranegara Motor.

Christy et al. (2020) researched with the same variables used by Permadi (2020). Research title Christy et al. (2020) is "The Effect of Financial and Non-Financial Compensation on Employee Performance with Organizational Culture as Moderation Variable." This study test three hypotheses using Moderating Regression Analysis (MRA) by collecting data from 50 employees at CV 'X' who focused their primary business on distributing motorcycle spare parts. Regarding the data collected, the findings indicate that financial and non-financial Compensation affects employee performance. However, organizational culture cannot moderate the relationship between economic and non-financial Compensation and organizational performance. Therefore, it can conclude that corporate culture cannot provide a better value for financial and non-financial Compensation in affecting employee performance in the company today.

Discussion

Researchers search results on previous studies describes in the subchapter. The analysis results indicate that several studies have resulted in a positive and significant influence between the compensation variable on employee performance. The research results of Christy et al. (2020), Nguyen et al. (2020), Sembiring et al. (2020), and Yanti et al. (2020). Research by Christy et al. (2020) even produced that the Organizational Culture variable could not be a moderating variable between the compensation variable on the employee performance variable. This result shows a strong direct relationship between the compensation variable and the employee performance variable.

Compensation has a strong influence on employee performance and strongly affects employee motivation and job satisfaction (Permadi, 2020; Puspitawati & Atmaja, 2020; Rahayu & Onida, 2020; Wolor et al., 2020). Several research results during the Covid 19 pandemic show that Compensation strongly influences employee motivation, job satisfaction, and performance. However, during the Covid 19 pandemic, companies compensated only 50% of employees, as shown by the research results of Pohan et al. (2020), that the company that is the object of research provides Compensation of up to 50% to employees. Research by Yanti et al. (2020) also shows employees have not received payment according to workload.

Compensation divide into financial and non-financial Compensation. Both of these compensations have a significant effect on motivation and performance, as indicated by the research results of Permadi (2020) and Christy et al. (2020). However, of the two Compensation, financial Compensation is the most dominant in influencing employee motivation, as stated by Permadi's research (2020).

This analysis indicates that during the Covid 19 pandemic, companies are significant to maintain employee motivation, which will impact employee performance. Maintain
employee motivation by increasing employee compensation as recommended from the research of Wolor et al. (2020). The payment that concerns the company is financial Compensation; according to Permadi’s study (2020) that monetary Compensation is the most dominant in influencing employee motivation.

Conclusion

This article's conclusion shows that studies regarding Compensation during the Covid 19 pandemic are research on the effect of payment on employee motivation, employee satisfaction, and employee performance variables. Financial Compensation has a dominant variable in influencing employee motivation. During the Covid 19 pandemic, companies ask to maintain employee motivation by providing monetary Compensation according to their workload.

References


