

Analysis of the Effect of Compensation, Motivation, and Job Satisfaction to Employee Performance: Case Study at Customer Interaction Division of PT XYZ

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Abstract

The purposes of this study are to analyze the positive effect of compensation and motivation on job satisfaction, the positive affect of compensation and motivation to employee performance, the positive affect of job satisfaction to employee performance, the role of job satisfaction as mediation between compensation to employee performance and motivation to employee performance. Number of samples taken was 154 respondents with method nonprobability sampling – convenience sampling technique. Data was collected by distributing questionnaires to measure 17 questions using a 5 points likert scale to the employee of internet provider. The data will be analyzed using SmartPLS and the technique used is hipotesis testing. The result that compensation and motivation has positive and significant affect to job satisfaction, compensation doesn't affect to employee performance, job satisfaction has positive and significant affect to employee performance, job satisfaction as full mediation between compensation to employee performance and job satisfaction as partial mediation between motivation to employee performance. The results of this study can provide input to company management to determine job satisfaction factor of employee so it will improve employee performance.

Keywords

compensation; motivation; job satisfaction; employee performance



I. Introduction

Parameters to measure the company's success are very dependent on individual achievement targets set. As a result, a good strategy and maximal execution are needed. Frontline employees are the key to success in executing the company's strategy (Koo et al., 2019). According to Tahmeem and Tangem (2018), companies need individual employee performance to achieve its development. Companies need to pay attention to employees to contribute and hope that the targeted mission is achieved. It takes more efforts from the company to satisfy its employees. Several factors are considered essential and can satisfy employees to encourage employee performance, such as the company's work environment, compensation, and motivation.

According to Alromaihi, et al. (2017), there is a relationship between job performance and job satisfaction. Employees will show better performance and contribute to company goals and success if employees are satisfied with their job (Shmailan, 2016). The research results from Yang and Hwang (2014), regarding the relationship between job performance and job satisfaction show a significant impact for companies in allocating their resources. In

particular, acknowledge cause-and-effect relationships can help management directly limit resources to increase the cause, whether job performance or job satisfaction. Employees should be rewarded and motivated to achieve job satisfaction which positively and significantly affects the efficiency and effectiveness of employees and ultimately shows better overall performance (Naqbi et al., 2011). The success of every organization is always supported by employees who are committed and committed to motivation and job satisfaction. It is the energy that drives the achievement of the company's objectives. A company cannot produce performance without commitment (Varma, 2017).

Motivation during work is essential for employees because it can help improve the achievement of company targets. Companies should provide the necessary motivation for workers who are estimated to be key contributors to maximizing productivity among workers. If the company motivates workers, it will produce higher productivity and higher quality. Besides salary, standard reward packages are bonuses, pensions, insurance, company cars, loans, and food subsidies (Naqbi et al., 2018). Intrinsic and extrinsic motivations contribute to job contentment and the result is job satisfaction. Processes within the organization also state employee satisfaction with their work. Employees' intrinsic and extrinsic motivation such as organizational context (policies, procedures, systems, culture and climate) affects employee contentment with the company (Mardanov, 2020).

Compensation is the amount received by employees for their services to the company. Compensation can be in the form of salaries, incentives, job allowances, gifts, and other facilities that are not in the form of money (Supriyadi et al., 2017). Compensation plays an essential role in determining the level of employee job satisfaction (Retnoningsih et al., 2016). Compensation has a positive and significant impact on job satisfaction; this is because high compensation will encourage employees to work better than low compensation (Muhammad et al., 2017). Insufficient compensation is the main reason for employee dissatisfaction and has a negative impact on the company, such as not achieving targets and absenteeism. That is why companies need to design better compensation (Arif et al., 2019).

The research was conducted on employees of the customer interaction division at PT XYZ. The number of average scorecard agent achievements from 2018 to 2021 has increased but tends to be gentle, but the increase in incentives paid by the company has increased significantly and the average number of sales/revenue achievements from 2018 to 2021 has decreased quite significantly. The sales/revenue achievement in 2019 compared to 2018 decreased by 12.21%, in 2020 compared to 2019 it increased by 13.99% and in 2021 compared to 2020 it decreased by 26.01%.

The phenomenon in job operational in the last 3.5 years shows that employee performance has not been maximized even though the company has made efforts to create a compensation and motivation system. The achievement of individual work targets will accumulate into the company's work targets, so the increase in company performance is strongly influenced by the individual performance of employees (Sudiardhita et al., 2018).

This study replicates the research of Nurcahyani and Adyani (2016). However, this study did not measure the role of job satisfaction variables in mediating compensation and motivation on employee performance. According to Yani in Syardiansyah (2020) performance is a result of work achieved by a person in carrying out the tasks assigned to him based on skill, experience and sincerity as well as time. This means that in work contains elements of the standard that achievement must be met, so, for those who reach the standards set means good performance (Wahjudewanti, 2021). This research is expected to contribute theoretically and managerially to the factors that affect employee performance to make companies can create incentive schemes and motivational programs that can increase employee job satisfaction.

II. Review of Literature

2.1 Employee Performance

The word performance comes from the word job performance or actual performance (actual achievement achieved by someone), which is the quality and quantity of work achieved by employees in carrying out their work in connection with the duties and responsibilities assigned to them. Employee performance can be tested from 1) quality of work, 2) quantity of work, 3) responsibility, 4) cooperation and 5) initiative (Nguyen et al., 2020). Employee performance is the achievement of a given task which is measured by standards of accuracy, completeness, cost, and speed. Employee performance is related to productivity which is related to quantity of output, quality of output, timeliness of output, attendance (attendance on the job), morale (morale at work), efficiency and effectiveness incomplete the work (Ezeanyim et al., 2019).

2.2 Job Satisfaction

Job satisfaction is an attitude statement of positive feelings expressed by workers about their work based on the evaluation results of its characteristics. According to Alromaihi et al. (2017) job satisfaction is defined as “a combination of psychological and environmental conditions that causes a person to sincerely say I am satisfied with my job”. Job satisfaction is “a pleasant experience or positive emotional expression as a result of appreciation for one's work or work experience” (Locke, 1976). Armstrong and Taylor (2014) define job satisfaction as "an attitude and feeling that a person has about their job". Job satisfaction is defined as the "end state of feeling". Feelings can be positive or negative depending on whether the need is satisfied or not (Alromaihi et al., 2017). A worker will have positive feelings about his job if he has a high level of job satisfaction, and conversely, if the level of job satisfaction is low then a worker has negative feelings (Robbins & Judge, 2015).

2.3 Compensation

Management has done many ways to increase job satisfaction, motivation, and employee performance through compensation. Compensation is significant for individuals because compensation reflects how much they work among other employees. Compensation is also referred to as an award and is defined as all forms of wages given to employees as compensation for their contributions to the company (Sudiardhita et al., 2018).

Fees worth money can be divided into wages (compensation) and welfare (benefits). Fees are all forms of compensation received by employees from the company, which can be of monetary or non-monetary value. Wages are basic salaries, incentives, allowances and bonuses given directly as compensation for work. Welfare such as housing facilities, health insurance, housing facilities and vehicle ownership programs are provided indirectly but benefits employees (Aprinto & Jacob, 2013).

2.4 Motivation

According to Mohamud et al. (2017) the word motivation comes from "motive" which means the needs, desires, and desires. Employee motivation means a process where the company inspires employees in the form of rewards, bonuses, and so on to achieve organizational goals.

2.5 Hypothesis Development

Research conducted by Koo et al. (2019) describes the relationship between emotional and material rewards and job satisfaction. The study was conducted in Korea on hotel employees. The purpose of this study is that hotel managers can find ways to increase

employee job satisfaction and reduce burnout by understanding different reward systems. Research by Nurcahyani and Adnyani (2016) on entire PT Sinar Sosro Factory employees in Bali shows compensation has a positive and significant effect on job satisfaction. This means that if the compensation provided by the company to employees can meet their daily needs, then the satisfaction of PT Sinar Sosro Factory Bali employees will increase.

III. Research Methods

This type of research is causal associative hypothesis testing. This study will analyze the effect of compensation on job satisfaction, the effect of motivation on job satisfaction, the effect of compensation on employee performance, the effect of motivation on employee performance, the effect of job satisfaction on employee performance, whether job satisfaction mediates the relationship between compensation and employee performance and whether job satisfaction mediates the relationship between motivation and employee performance in the customer interaction division of PT XYZ. The conceptual framework is addressed in Figure 1.

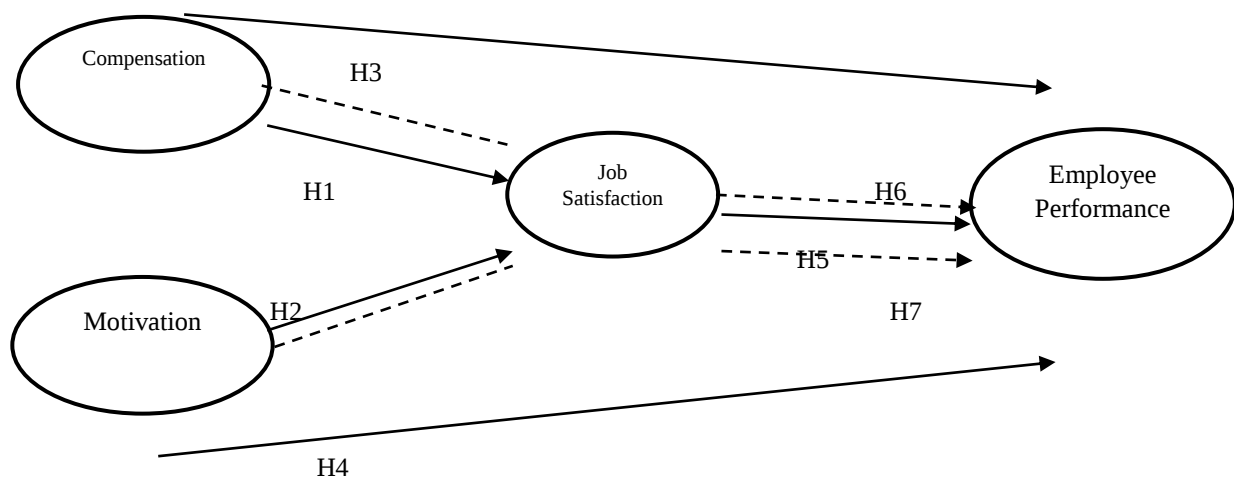


Figure 1. The Conceptual Framework
Source: replicate from Nurcahyani and Adyani (2016)

IV. Discussion

4.1 Results

a. Measurement Model Test (Outer Model)

Measurement evaluation (outer model) was conducted to test the validity and reliability of the model. Validity is measured by convergent validity and discriminant validity, while reliability is measured by composite reliability and AVE values (Hair et al., 2017).

The reliability test was carried out to prove the instrument's accuracy, consistency, and accuracy in measuring constructs (Ghozali, 2021). The criterion commonly used to measure internal consistency reliability is Composite Reliability. Hair et al. (2017) mention a reliable construct if the composite reliability value is more than 0.7 (> 0.7). Table 1 shows the results of the composite reliability measurement. Composite reliability value > 0.7 is said to be a reliable model.

Table 1. Reliability Test Results

	<i>Composite Reliability</i>
Job Satisfaction	0.907
Employee Performance	0.914
Compensation	0.868
Motivation	0.877

Source: primary data processing results (2021).

The convergent validity test was carried out to test the correlation of indicators to the construct by looking at the outer loading value and the Average Variance Extracted AVE number (Ghozali, 2021). The model is said to be valid if the outer loading value is greater than 0.7 (> 0.7) and the AVE value is greater than 0.5 (> 0.5) Hair et al (2017). Table-2 shows that the outer loading value of all indicators is greater than 0.7 (> 0.7), and Table-3 shows that the AVE value of all constructs is more than 0.5 (> 0.5), thus the model is said to be valid.

Table 2. Outer Loading Convergent Validity Test Results

	Job Satisfaction	Employee Performance	Compensation	Motivation
KJKY3		0.772		
KJKY4		0.816		
KJKY5		0.846		
KJKY7		0.829		
KJKY8		0.862		
KMP3			0.849	
KMP5			0.824	
KMP7			0.812	
KPS2	0.878			
KPS3	0.850			
KPS6	0.895			
MTV5				0.849
MTV7				0.788
MTV8				0.823
MTV9				0.741

Source: primary data processing results (2021)

Table 3. AVE Convergent Validity Test Results

	<i>Average Variance Extracted (AVE)</i>
Job Satisfaction	0.765
Employee Performance	0.681
Compensation	0.687
Motivation	0.642

Source: Primary Data Processing Results (2021)

The discriminant validity test to measure the construct is completely different from the other constructs. Discriminant validity test can be done by looking at the value of cross loading, Fornell Larcker and Heterotrait – Monotrait ratio (Hair et al., 2017). The criterion is that the outer loading indicator associated with the construct must be greater than the other cross-loading. Table 4 shows the results of the cross-loading discriminant validity test.

Table 4. Cross Loading Discriminant Validity Test Results

	Job Satisfaction	Employee Performance	Compensation	Motivation
KJKY3	0.561	0.772	0.481	0.604
KJKY4	0.512	0.816	0.484	0.622
KJKY5	0.629	0.846	0.433	0.580
KJKY7	0.546	0.829	0.473	0.615
KJKY8	0.665	0.862	0.477	0.665
KMP3	0.459	0.475	0.849	0.537
KMP5	0.522	0.415	0.824	0.526
KMP7	0.522	0.517	0.812	0.632
KPS2	0.878	0.633	0.557	0.710
KPS3	0.850	0.601	0.501	0.559
KPS6	0.895	0.623	0.529	0.628
MTV5	0.715	0.582	0.585	0.849
MTV7	0.576	0.581	0.519	0.788
MTV8	0.557	0.650	0.607	0.823
MTV9	0.461	0.591	0.477	0.741

Source: primary data processing results (2021)

Table-5 shows the results of Fornell Larcker's discriminant validity test are in accordance with the established criteria, that the ratio of the square root of the AVE value of each construct is greater than the correlation value between constructs in the model (Hair et al., 2017).

Table 5. Fornell Larcker Discriminant Validity Test Results

	Job Satisfaction	Employee Performance	Compensation	Motivation
Job Satisfaction	0.874			
Employee Performance	0.708	0.826		
Compensation	0.606	0.569	0.829	
Motivation	0.727	0.749	0.685	0.801

Source: primary data processing results (2021)

Heterotrait – Monotrait Ratio (HTMT) is the ratio of between-trait correlation to within-trait correlation, with criteria less than 0.9 (< 0.9). If $HTMT > 0.9$, it is indicate a problem with discriminant validity. Table-6 shows the results of the HTMT discriminant validity test for all constructs whose magnitude is < 0.9 , thus it is said to be valid.

Table 6. Test Results of Heterotrait-Monotrait Ratio Discriminant Validity

	Job Satisfaction	Employee Performance	Compensation	Motivation
Job Satisfaction				
Employee Performance	0.816			
Compensation	0.746	0.686		
Motivation	0.865	0.886	0.858	

Source: primary data processing results (2021)

b. Structural Model Test (Inner Model)

The evaluation of the inner model is carried out to predict the relationship between latent variables, including collinearity, coefficient determination (R-square), and hypothesis testing.

The VIF test is carried out to determine whether the indicator has multicollinearity. The criteria for the VIF value between 5-10 states that the indicator has multicollinearity (Hair et al., 2017). Table-7 shows the results of the VIF test and there are no multicollinearity problems.

Table 7. Multicollonearity Test Results

	Job Satisfaction	Employee Performance
Job Satisfaction		2.222
Employee Performance		
Compensation	1.885	1.977
Motivation	1.885	2.650

Source: Primary Data Processing Results (2021)

We can determine the extent to which the independent construct explains the dependent construct through the R-square test (Hair et al., 2017). Table-8 shows the test results (R^2) where the results of R^2 adjusted employee performance are 0.611 (moderate), meaning that compensation, motivation and job satisfaction can explain variations in the value of employee performance constructs of 61.1%. The R^2 value adjusted for job satisfaction is 0.544 (moderate), meaning that compensation and motivation can explain the variation in the value of the job satisfaction construct by 54%.

Table 8. Coefficient of Determination Test Results (R^2)

	<i>R Square</i>	<i>R Square Adjusted</i>
Job Satisfaction	0.550	0.544
Employee Performance	0.618	0.611

Source: Primary Data Processing Results (2021)

c. Hypothesis Test

Hypothesis testing is done by testing the path coefficient. If the original sample number (O) is positive (+), it means that one variable has a positive effect on other variables and if the T_{stat} number is >1.645 or $P\text{-value} < 0.05$, it means that the relationship is significant (Ghozali, 2021).

Table-9. Hypothesis Test Results and Strength of Influence

Hypothesis	Variable Relationship	Original Sample (O)	T_{stat}	P Values	Description	Decision
H1	Compensation -> Job Satisfaction	0.204	2.482	0.007	Significant	H1 accepted
H2	Motivation -> Job Satisfaction	0.587	6.750	0.000	Significant	H2 accepted
H3	Compensation -> Employee Performance	0.036	0.427	0.335	Tidak signifikan	H3 declined
H4	Motivation -> Employee Performance	0.477	4.860	0.000	Significant	H4 accepted
H5	Job Satisfaction -> Employee Performance	0.340	3.185	0.001	Significant	H5 accepted

Source: primary data processing results (2021)

Table-9 shows the results of the analysis of the compensation hypothesis testing that has a positive effect on job satisfaction with a coefficient value of 0.204 and a significant T_{stat} value of 2.842. Motivation positively affects job satisfaction with a coefficient value of 0.587 and significantly with a T_{stat} value of 6.750. Compensation does not affect employee performance. Motivation positively affects employee performance with a coefficient value of 0.477 and a significantly with a T_{stat} value of 4.860. Job satisfaction positively affects employee performance with a coefficient value of 0.340 and a significantly with a T_{stat} value of 3.185.

In this study, there is a mediating variable. Therefore, it is necessary to test the mediating effect on the job satisfaction variable so that the role of the compensation variable on the employee performance variable and the motivation variable on the employee performance variable can be seen. The mediating power relationship between variables can be determined based on the Variance Accounted For (VAF) value. If $VAF > 80\%$ indicates

full mediation, VAF between 20% - 80% means partial mediation and VAF < 20% no mediation (Ghozali, 2021). The formula can calculate the VAF value:

$$VAF = \text{indirect effect} / \text{total effect} * 100$$

Table-10 describes the test of the mediating effect hypothesis. Compensation has a positive effect on employee performance with a coefficient value of 2,355 and significantly with a T_{stat} value of 0.009 with job satisfaction as a full mediation. Motivation positively affects employee performance with a coefficient value of 2.552 and a T_{stat} value of 0.005 with job satisfaction as a partial mediation.

Table 10. Hypothesis Test Results and Mediation

Hypothesis	Variable Relationship	Original Sample (O)	T_{stat}	PValues	Description	Decision
H6	Compensation -> Job Satisfaction -> Employee Performance	VAF	2.355	0.009	Significant, Full Mediation	H6 accepted
		65.71%				
H7	Motivation -> Job Satisfaction -> Employee Performance	VAF	2.552	0.005	Significant, Partial Mediation	H7 accepted
		29.54%				

Source: primary data processing results (2021).

According to Baron and Kenny (1986), mediation will be strong (full mediation) when there is an indirect effect but no direct effect. There is no effect on the direct relationship of compensation employee performance. However, the indirect relationship between Compensation→Job Satisfaction→ Employee Performance is significant, and then job satisfaction is a full complimentary mediation on the effect of compensation on employee performance (Ghozali, 2021). In the indirect relationship (indirect effect) Motivation→Job Satisfaction→ Employee Performance has a VAF value of 29.54% with a T_{Stat} value = 2,552, and the direct effect (direct effect) Motivation Employee Performance is significant, then the job satisfaction variable is partially mediated on the effect motivation on employee performance.

4.2 Discussion

This study proves that compensation has a positive and significant effect on job satisfaction. This shows that PT XYZ has provided compensation to employees in the customer interaction division, increasing employee job satisfaction. Based on descriptive analysis, the highest average value is compensation in health benefits such as BPJS and the 14th salary. Respondents through open questionnaires stated that 81.82% of employees stated that the current compensation received was adequate because it had met their expectations and was under the work done, and 17.53% stated that the compensation was not adequate because nominally it was not large enough, felt unfair and the components were incomplete, and 0.65% of the answers are neutral. This means that if the company provides additional compensation in the form of health benefits or other benefits, it will lead to job satisfaction for employees. The results of this study are in line with the results of previous research by Nurcahyani and Adnyani (2016) on employees of the Sosro factory in Bali, Sudiardhita et al. (2018) in his research on branch employees of PT Bank XYZ, Koo et al. (2019) in their

research on employees of five-star hotels in Seoul, Rosalia et al. (2020) on employees of SMK Medika Samarinda, Mosquera et al. (2019) on employees of real estate agencies in Portugal and Retnoningsih et al. (2016) on employees of PLN Malang Region.

This study proves a positive and significant influence of motivation on job satisfaction. This shows that motivated employees will express satisfaction at work in the customer interaction division. Companies must always be creative in building motivational programs for employees, both in terms of frequency and type, so that the more attractive the programs provided will certainly increase employee satisfaction at work. Based on the results of the study, employees feel motivated because of factors from within themselves (intrinsic motivation), such as achieving the best work results by mobilizing all abilities (mean value 4.20), preparing themselves to serve customers well (mean value 4.16). External factors can also increase employee motivation, such as appreciation from management, customers and superiors. The results of the open questionnaire stated that 90.91% of respondents felt motivated to work on the grounds of being able to develop themselves, being given responsibility, good compensation, and achieving personal targets, 7.79% were not motivated due to lack of career opportunities and insufficient compensation, and 1.30% had a neutral opinion. Employee job satisfaction will increase if the company provides motivation to employees on an ongoing basis and is improved from time to time, both in the form of intrinsic and extrinsic motivation (Mardanov, 2020). This study is in line with the results of previous research by Mardanov (2020) on construction employees in Taiwan, Despoteris & Myloni (2018) on the four largest call centres in Greece, Sudiardhita et al. (2018), Basalamah and As'ad (2021), Stringer et al. (2011) which proves the positive and significant effect of motivation on job satisfaction. The results of this study are quite consistent after being tested in several industries in Indonesia and even across countries, both with the same unit of analysis as call centres or with different ones.

The results of this study indicate that compensation does not affect employee performance. The results of this study indicate that the performance of employees in the customer interaction division is not affected by the size of the compensation package prepared by the company. Data collected through open questionnaires showed that 81.82% of respondents stated that the compensation was adequate, 28% stated that they had met expectations, and 21% stated that the compensation was following the work done. From the researcher's observations, this could be because 80% of the jobs in customer interaction are services, and 20% are sales. Previous studies have shown different results, such as that of Jean et al. (2017) on employees of Mombasa Cement Limited in Kenya, Arief et al. (2019) on road construction employees, Sitopu et al. (2021) on PT SJS call centre employees in Medan, Siddiqi and Tangem (2018) on insurance companies in Bangladesh where employee performance is significantly affected by compensation. If you pay attention, the field of research by previous researchers is related to sales and productivity. If employees want to get more compensation, they must achieve the targets that have been set, and performance can be achieved. In the current study, the employees' target is scorecard services and sales, of which 80% are services, and 20% are sales.

This study proves that employee performance is positively and significantly influenced by motivation. Respondents' answers through the results of an open questionnaire showed that 90.91% of employees felt motivated, 17% of them stated that they had self-development, 12% of them felt they were given responsibility and 11% felt they had received good compensation and 7% had achieved personal targets. The results of the study are in line with previous researchers by Nurcahyani and Adnyani (2016) at the Bali Sosro factory, Carvalho et al. (2020) of 500 Café employees in Timor Leste, Mohamud et al. (2017) on bank employees in Mogadishu Somalia, Siddiqi et al. (2018) on employees of insurance companies in Bangladesh. Things that can affect employees' performance, such as monetary rewards, job

enrichment, training, recognition, adaptive performance, and intrinsic motivation give more influence

This study proves that job satisfaction has a positive effect on employee performance. The results of the open questionnaire state that 81.17% of respondents are satisfied with their current job, 12% of them feel comfortable with a good environment, 8% can develop themselves, and 6% are satisfied because they work according to their passion. Based on the results of the descriptive analysis, it is stated that employees are satisfied with their current job, they can increase their knowledge, work with discipline and have work targets in the form of a scorecard. Previous researchers also proved the same result, Alromaihi et al. (2017) even find a reciprocal relationship between job satisfaction and employee performance, Carvalho et al. (2020) on 500 Café employees in Timor Leste, Harinoto and Iman (2018) on employees of PT Bina Avia Persada in Malang, Ezeanyim et al. (2019) against employees in Awka, Anambra state in Nigeria. The results of this study are quite consistent even though they are carried out in different countries with different industries and different sample sizes. Employees feel that getting rewards, promotions, job safety, and good working conditions will affect employee job satisfaction so that it can trigger better performance. If employees are satisfied, they will improve their performance (Harinoto & Iman, 2017).

This study also proved that job satisfaction acts as a full mediation in the relationship of compensation on employee performance. These results indicate that employee performance is not due to compensation factors but is more triggered by job satisfaction. If employees are satisfied with the compensation package received from the company, their performance will increase. Several previous researchers, such as Nurcahyani and Adnyani (2016), and Sudiardhita et al. (2018) did not examine the role of job satisfaction as a mediating variable. Harinoto and Iman's research (2018) results prove that job satisfaction mediates the effect of compensation on employee performance. Research results Rosalia et al. (2020) prove that compensation does not affect employee performance, either directly or indirectly.

This study also proves the role of job satisfaction as a partial mediating variable in the relationship of the influence of motivation on employee performance. Motivation is an important factor in the customer interaction division because it can affect employee performance, either directly (directly) or indirectly (indirectly). The results of the descriptive analysis also show that employee performance is heavily influenced by intrinsic motivation such as attendance discipline, adherence to SOPs, and the achievement of work quality standards. The results of previous studies by Nurcahyani and Adnyani (2016), Sudiardhita et al. (2018) did not examine the role of job satisfaction as a mediating variable even though the research model framework was the same. Another researcher who has examined the role of job satisfaction in mediating motivation on employee performance and has been shown to have a positive and significant effect is Carvalho et al. (2020). Other researchers Rosalia et al. (2020); Harinoto and Iman (2018) prove that job satisfaction mediates employee motivation and performance. Employees who feel motivated always try to achieve performance in every given task to succeed. Satisfied employees will always help other employees, which can improve employee performance (Carvalho et al., 2020).

IV. Conclusion

Based on the discussion above, employee performance in the customer interaction division is influenced by the motivation and compensation they receive from the company. Currently, the company has provided compensation packages in the form of salaries, incentives, commissions, allowances, and programs to motivate employees, such as rewards, recognition, and career development.

Managerial Implications

Based on the analysis results in this study, PT XYZ should be able to understand better the factors that can affect job satisfaction and improve employee performance in the customer interaction division. Compensation packages can be packaged more attractively in the form of financial and non-financial, competitive and fair to motivate employees to improve performance. Compensation must be attractive for each employee, have the power to compete with other operational units within the same company, for example, with team collection, retention, tele sales, and compete with other companies. Companies must also consider the motivational factors that can affect job satisfaction and improve employee performance. Provide opportunities for outsourced employees to develop by making a career path from agent to team leader or supervisor to even permanent employee. Employees also need regular hard skill training that can support their daily work and soft skill training to improve their ability to communicate and interact with other people, especially with customers.

The activities that have been carried out at this time need to be carried out and be more diverse and involve employees in being creative to increase the sense of belonging of the employees. A supportive work environment such as clean work cubicles, reliable work tools, fulfilling worship needs, and supportive colleagues and superiors also greatly affects employee satisfaction.

The current employee performance appraisal needs to be reviewed regularly and adjusted to the needs and conditions of the company so that individual employee achievements can support the achievement of company targets. Individual targets must be specific, measurable, achievable, reliable and have a period (Sudiardhita et al., 2018).

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