



A systematic review: Employee Turnover, Compensation and Benefit to Increase Employee Performance

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ABSTRAK

Employee turnover rate still remain of the most frustrating and persistent issues in organization and company over the decades. In Cargo Terminal, Soekarno Hatta International Airport, turnover rate of employees increased in the past few years. The author uses systematic review to research the issue and the goal is to find the relation between compensation and benefit, employee turnover and the impact on the employee performance and also have impact to the company and organization performance. This research uses PRISMA method and PICO to identify the research question and to drive the research from database and search engine such as Science Direct and Google Scholar, and the finding is the compensation and benefit have positive impact and significant effect on employee performance.

INTRODUCTION

A systematic review is a comprehensive and rigorous approach to synthesizing existing research on a specific topic. In this research, author will conduct a systematic review on the relationship between employee turnover, compensation, and benefits, and its impact on employee performance. The research aim is to examine the existing literature and provide a comprehensive understanding of how compensation and benefits can be implemented as strategies to increase employee performance and also to reduce turnover.

In Cargo Terminal, Soekarno Hatta International Airport, employee turnover is recognized as a high cost and disruptive issue for operation and the organizations. The costs associated with the employee turnover often over 100% of the annual salary for the opened position (Bryant & Allen, 2013). Therefore, it is very crucial for organizations to deeply understand the factors that contribute to employee turnover and explore some effective strategies to retain top talent employee.

Compensation and benefits play a significant role in employee retention and performance. Research suggests that inadequate compensation plans and benefits can lead to high levels of turnover and a failure to retain talented employees (Kumar, 2022). Therefore, it is important to examine the impact of compensation and benefits on employee performance and explore how organizations can design effective strategies to attract and retain top talent.

In this systematic review, we will analyze and synthesize existing literature on the relationship between employee turnover, compensation, and benefits, and its impact on employee performance. We will explore factors such as the level of compensation, the structure of benefits packages, and their influence on employee satisfaction, engagement, and commitment. Additionally, we will examine the relation between compensation and benefit and other factors, and other factors that contribute to turnover intention and employee considerations (Zainal et al., 2022).

By conducting a systematic review, we aim to provide organizations with evidence-based insights and recommendations on how to effectively utilize compensation and benefits as strategies to increase employee performance and reduce turnover. This review will contribute to the existing body of knowledge on employee retention and provide valuable insights for HR practitioners and organizational leaders.

LITERATURE REVIEW

In today's competitive business era, especially in Cargo Terminal, Soekarno Hatta International Airport, Tangerang, improving employee performance is a priority for many organizations. Research has shown that employee turnover, compensation, and benefits offered by the company can have a significant impact on employee performance. In this literature review, theories and research related to employee performance and its relationship with employee turnover, compensation, and benefits will be discussed.

Employee performance is closely related to the results of one's work in an organization or company. The results of the work can involve quality, quantity, and timeliness, but performance evaluation in a company's organization is key in employee development. Performance evaluation is in principle a manifestation

of an employee's performance appraisal form (Irfansyah, 2020). Monetary and non-monetary results of employees' efforts consider being as employee performance which has a direct effect upon the performance and achievement of the organization. The employee's outcomes and endeavors which they make at work are thought to be their performance (Li et al., 2022).

Compensation is the remuneration received by an employee in return for their contribution to the organization. It is an organized practice that involves balancing the work-employee relation by providing monetary and non-monetary benefits to employees. Compensation includes payments such as bonuses, profit sharing, overtime pay, recognition rewards and sales commission. Compensation weighs significantly in job performance. An organization's performance management system begins long before the employee reports for her first day on the job. Performance management starts with discussing the job duties, responsibilities and expectations with candidates during the recruitment and selection process (Reddy, 2020). According to Hasibuan (2017) compensation program (remuneration) must be determined based on the principle of fair and proper as well as taking into account the Law of the Republic of Indonesia Workers in force. The principle of decent and fair must be considered as well as possible with the aim that compensation can stimulate passion and increase job satisfaction (Ramli, 2018). Also, Dessler and Gary (2015) stated that compensation has a very strategic role in a company or organization (Ramli, 2018). Mangkunegara (2017) is of the opinion that it can be narrated if the compensation given by the company to employees will greatly affect the level of job satisfaction and the achievement of work results or employee performance (Ramli, 2018)

METHODOLOGY

The method used in this research by the author is a systematic review method, uses to collect, identify, evaluate and interpret the employee turnover that impacted employee performance. The search for articles or literature was obtained using the Google Scholar, Science Direct with a publication time limit of 2019-2023. The general search strategy used for Google Scholar database consists of MESH terms using Boolean Operators. The keywords used to search in search engine included: "turnover", "employee turnover", "compensate*", "wage", "salary", "wage and benefit", "salary and benefit", "compensation", "compensation and benefit", "benefit", "fringe benefit", "employee performance", "employee perform*", "KPI", "key Performa*", "key performance*", "key performance indicator", "cargo company", "Soekarno-Hatta*", "Soekarno Hatta*", "Airport", "Soekarno-Hatta Airport" and "Soekarno Hatta Airport". The research obtained was identified, and screened, and used in this research based on predetermined criteria.

The systematic review of this research followed the method according to the provisions of PRISMA (Preferred Reporting Items for Systematic Review). Data analysis begins by following the steps of the PRISMA method, including identification, screening, and feasibility of the articles to be analyzed. Articles that meet the predetermined criteria will be reviewed and screened and will be exclude manually by the author that relate and eligible to this research and will be listed to the used articles. The findings will be recorded and presented in a

table accompanied by explanations, discussions, and drawing conclusions (Inggarsih et al., 2021).

The author also uses The PICO framework (population/problem, intervention, comparison and outcome) with scores was used to determine the scope of the study and to find the research question, and below are the PICO table.

Table 1. PICO Description

Component	Remarks
Problem	Employee Turnover
Intervention	Compensation and Benefit
Comparison	Motivation
Outcome	Lower the number of employee turnover to increase employee performance

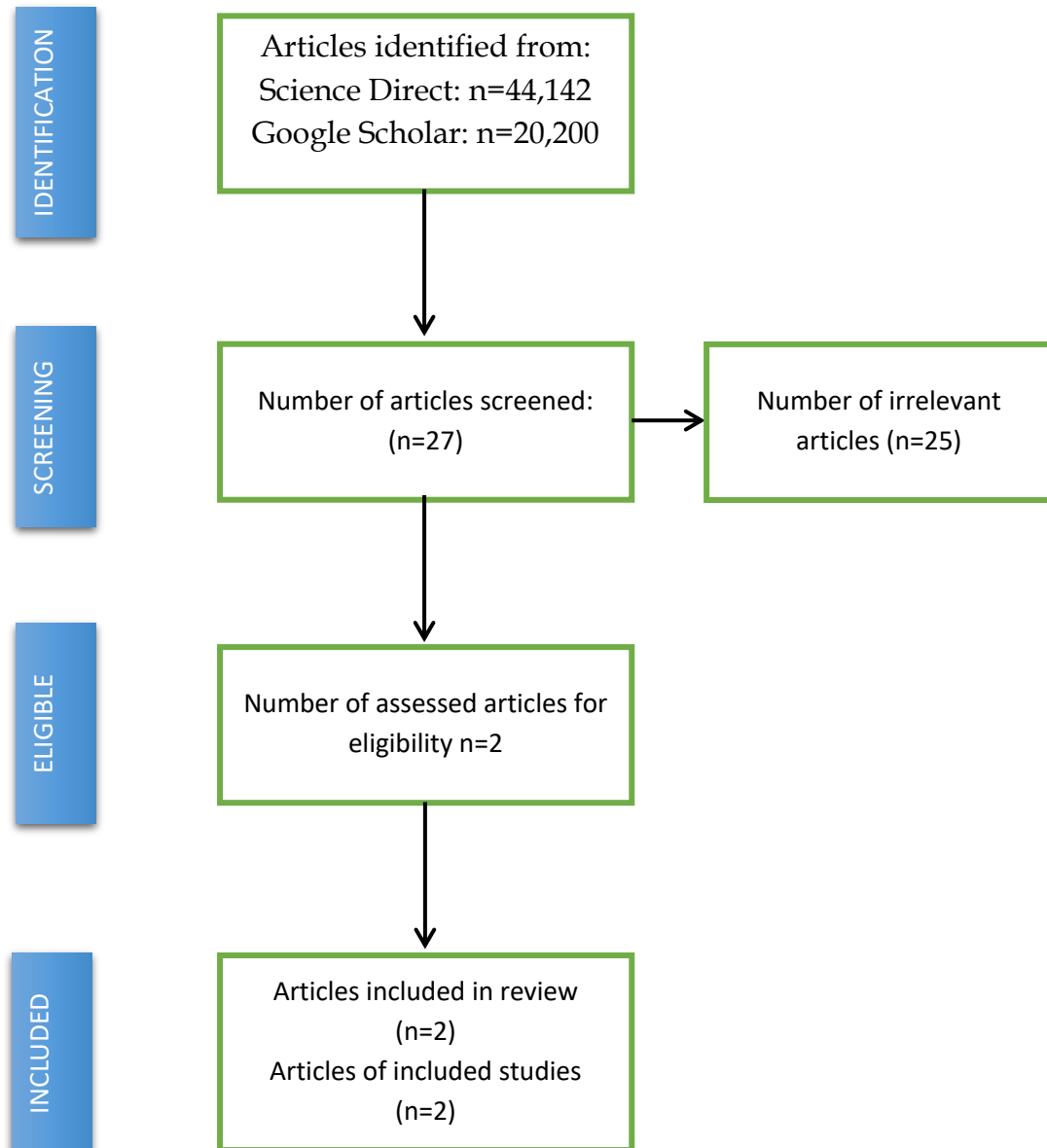


Figure 1. PRISMA Method Filter. Source: researcher 2023

Table 2. Distribution of Journals, Publishers and Findings

No	Article	Authors	Journal	Publisher	Finding
1	The Impact of Changing in Health Insurance Provider Policies on The Employees A	Chelsy Bettido	Vol 1 (2023) Journal of Management. Dura Space Repository	Universitas Islam Indonesia	Health insurance (benefit) was unable to satisfy

	Case Study of PT Angkasa Pura 1 (Doctoral Dissertation)				employee satisfaction
2	Effect of Work Motivation and Training on Employee Performance with Competence as Intervening Variable at PT. Indonesia AirAsia Hub International Airport I Gusti Ngurah Rai Bali	I Gede Toro Mahendra, Putu Kepramareni, I Ketut Setia Sapta, I Wayan Sujana, Ismael Hagusian III	Vol 5 No.2 (2022) International Journal of Sustainability , Education, And Global Creative Economic (IJSEGCE)	SEGCE Indonesia	Employee benefit: training and motivation session has positive impact and significant effect on employee performance

Source: researcher 2023

RESEARCH RESULT

Refer to table 2 above, table of Distribution of Journals, Publishers and Findings, both articles result - the finding shows that compensation and benefit have positive impact and significant impact on employee performance. To supplement above research, author add other research to strengthen the statement of compensation and benefit decreased the number of employee turnover.

The analysis shows that on average across all establishments, we observe a positive correlation between wages and fringe benefits. This indicates the presence of labor market frictions and thus is not supportive of the classical frictionless hedonic wage model. Higher wages and more fringe benefits reduce the worker turnover rate. Fringe benefits have stronger negative impact on the excess worker turnover rate than indicated by the reported monetary value (Dale-Olsen, 2006). According to the Society for Human Resource Management (2014) compensation is the most important factor in worker satisfaction. Research participants in a study by Davis (2018) indicated that the competitive compensation strategy was one of the most effective strategies for retaining employees. Lardner (2015) confirms that reward programs enhance employee engagement and lead to considerable growth in career and personal development. Trevor et al., (1997) has reported that increase in compensation has a negative effect on turnover. However, Davies, Taylor, and Savery (2001) posit that remuneration to talented employees is provided by every employer but few employers implement it strategically. Gardner et al., (2004) reported that pay is regarded as a motivator as well as a worker retention mechanism. Furthermore, Milkovich and Newman (2004) have clearly noted that among all kinds of rewards, monetary remuneration is viewed as one of the most crucial and significant factors in retention. It is believed employers could apply effective compensation strategies which will engage workers and improve their performance leading them to be more loyal and interested in the success of the

organization (Dwesini, 2019). there are certain factors positively associated with job satisfaction and employee loyalty. The factors are supervisor support, teamwork, and working environment, fringe benefits. Leadership style, commitment, motivation, belongingness, career development, bonding, job security, peer corporation, flexible time policies, managers treatments of employees, organizational communication (Priyadharshini & Clement Sudhahar, 2019).

DISCUSSION

Refer to above finding and statement, the representation of scientific articles used in this research found and described that compensation and benefit are significantly impacted employee performance and compensation and benefit able to decreased the number of employee turnover, and as well as other variables, different research objects also have impact to employee performance.

CONCLUSIONS AND RECOMMENDATIONS

All of the variables explained, compensation and benefit, employee performance and employee turnover, with the results and discussion meet the answers in accordance with the purpose of this scientific article, which is to describe by providing perspective and data, and these variables are followed by other variables that can be used as differentiators, as well as the object of research, and other variables such as leadership, employee engagement, work location, family situation and motivation, also have impact to employee performance and employee turnover.

This research is improvable and addressed to other researcher to develop this research to answer the research questions at many locations and industries, it also can be a reference for other researchers.

ADVANCED RESEARCH

This research article can be supplementing references for science and knowledge, especially in the field of Human Resources. A scientific additional reference, systematic review, to be develop by other researchers and for next researcher, expected to prove whether the compensation and benefit is significantly impacting the employee performance and can lower the employee turnover.

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