

## **Transfers and Compensation on Employee Performance with Human Resource Migration as Mediation Variable**

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### **Abstract**

*Employee performance, compensation, and mutations are the focal points of a research analysis conducted at Bank Syariah Indonesia Ciputat Branch. The study aims to determine how mutations impact employee performance and human resources migration, and how compensation affects these aspects as well. Additionally, the study examines the relationship between employee performance and human resources migration. Using a survey method, this study implemented a saturated sampling technique to gather data from a sample of 60 workers at Bank Syariah Indonesia Ciputat Branch. The research aimed to investigate how mutation and compensation affect employee performance, with Human Resources Migration serving as mediation. The chosen analytical method for this descriptive study was the Structural Equation Model (SEM). Based on the multiple regression analysis model, the findings indicate that there are several important relationships to consider. Firstly, it was discovered that mutations can impact the performance of employees. On the other hand, compensation did not show any significant effect on employee performance. Furthermore, mutations were found to not have any notable impact on Human Resource Migration; however, compensation did show a clear influence. Additionally, it was identified that employee performance can also influence Human Resource Migration. Moreover, the study demonstrated that mutations have an effect on the performance of customer employees and thus affect human resource migration. In contrast, there was no evidence suggesting that compensation has any effect on employee performance or its impact on human resource migration.*

**Keywords:** *Transfer, Compensation, Employee Performance, Human Resources Migration.*

### **INTRODUCTION**

Employee productivity is essential for companies to achieve maximum profitability in the competitive era of globalization. To accomplish this goal, proper planning and strategic thinking are crucial. One important aspect of management is Human resources (HR), which is responsible for managing the workforce and ensuring employee job satisfaction.

Innovation and new ideas are critical to the success of any company, and it is the employees who drive these forward. To attain company goals, it is essential that positive direction and comfortable working conditions are provided. Furthermore, it is worth keeping an eye on employee absenteeism patterns, as this can serve as a key performance indicator. If employee output drops, it may be due to unsuitable transfers, insufficient pay, or poorly planned human resource allocation.

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To optimize efficiency, it is crucial to handle job transfers in a deliberate manner, although they may boost morale. Employers must also offer suitable compensation that aligns with performance and seamless human resource migration. Enhancing worker productivity revolves around human resource migration, namely job rotation, training, and promotions. This also bolsters an enterprise's adaptability to ever-changing circumstances. Businesses must recognize that employee motivation, aptitude, and remuneration noticeably impact work quality. By improving these factors, firms can optimize productivity.

Putting Gap Research aside, Nurul Nadzfah Nanda conducted research in 2017 that indicated a modest yet favorable link between mutation (X) and employee work productivity at Bank Syariah Bukopin Medan. So, while there is a connection between staff transfers and work productivity, it is not particularly robust. In 2019, Putu Kartika and Khaerana's findings suggested that Competency (X1) and Compensation (X2) play an essential role in affecting the Work Productivity (Y) of Employees at PT. Bank Rakyat Indonesia Palopo Branch. Here, both of these factors appear to have a significant impact on employee work productivity within that specific establishment. In 2015, Safarinda Imani conducted research on BRISyariah Malang Branch Office employees' work productivity and discovered that their work discipline, work environment, and compensation were significant influences. Similarly, H. Achmad Subing conducted research in 2016 on PT Bank Lampung employees in Way Kanan and found that compensation played a critical role in their performance. Additional research indicated that work motivation also affected work productivity at PT Bank Lampung in Way Kanan. In the branch, the correlation between compensation, work motivation, and employee productivity was revealed through recent research. Education and training were determined to have a favorable effect on work productivity levels in a study conducted by Laili NurRahmawati in 2014. Additionally, Ahmad Nailun Najih's exploration in 2016 uncovered that migration and compensation programs had a positive impact on increasing work productivity at PT. BPRS Artha Mas Abadi Pati. Findings from this research supported the idea that these factors can affect employee productivity at the institution.

Management of transfers, compensation and HR migration can significantly impact employee productivity, according to research. This underscores the need for companies to improve these three facets to attain optimal productivity. Pursuing these measures with the objective of enhancing employee performance and efficiently meeting company objectives

## LITERATURE REVIEW

Management Human Resource involves overseeing employees to ensure they are satisfied and comfortable in their position. This typically requires some understanding of archival management, hiring practices, retention and firing policies, and legal requirements. HR managers also facilitate benefits packages, create incentives to improve employee performance, supervise training and development programs, and ensure compliance with labor laws.

Badriyah (2015) explains how organizational activities rely heavily on the regulation of human resources, which is why human resource management is an essential part of management science of managing the relationships and roles of the workforce is what Hasibuan (2017:10) believes is the definition of human resource management. This science and art aims to make the workforce effective and efficient in aiding the company, employees, and society achieve their goals.

Performance of employees can significantly affect a company's success. Therefore, it is important to monitor their progress and provide them with feedback on their work. This can help them improve their skills and maximize their potential. It's essential to have

clear job descriptions and expectations to ensure that everyone is on the same page. Communication is vital, and managers must provide support and guidance to employees while also holding them accountable for their actions. Recognition and rewards can also motivate employees to excel and increase their job satisfaction. Overall, prioritizing employee performance can lead to a more productive and thriving workplace.

The definition of performance is the quality and quantity of work achieved by an individual while carrying out their assigned responsibilities (Mangkunegara, 2016). This term originates from the word 'performance', which refers to the outcome of work or work conduct (Abdurrahman, 2019). Performance is measured by an employee's work output, which is heavily influenced by their skills, efforts, and available opportunities (Abdurrahman, 2019). As per Hadari discussed in Maulana (2018), the result of executing work, whether mental or physical, is recognized as an employee's performance.

Mutation. According to Sastrohadiwiryo (2014:247), an employment activity involving the transfer of worker's functions, responsibilities, and employment status to a particular scenario is called mutation. The ultimate goal is to enable employees to experience job satisfaction and provide the best possible work output to the association.

Nasution (2014: 111) has described mutation as the repositioning of workers from areas overstaffed to those requiring additional support.

Compensation. Financial rewards given to individuals in employment relations with an organization - known as compensation - can take many forms (Siswanto, 2011). Money, direct or indirect goods, and services given to a company may all be considered compensation for those receiving it (Hasibuan, 2016:118). Employees receive compensation as a form of remuneration for their contributions to a company, as defined by Rivai (2014: 714).

Migration in Human Resources is a phenomenon that is both common and necessary in today's job market. It refers to the movement of workers from one company, industry, or geographic region to another in search of better job prospects. In many cases, HR migration is driven by a desire for higher salaries, better benefits, or more opportunities for advancement. However, it can also be caused by factors such as job insecurity, dissatisfaction with management, or a company's failure to provide equal opportunities for all its employees. Overall, HR migration is a complex and ongoing process that plays a vital role in shaping the modern workplace.

Organizational objectives can be accomplished through human resource migration, as noted by Bangun (2012: 200). Priansa (2014: 146) defines human resource migration as the development of employees for greater or alternate job tasks. This migration typically involves enhancing employees' cognitive or affective capacities to enhance their performance. Migration usually relates to increasing intellectual or emotional abilities necessary to perform better work.

## **RESEARCH METHODS**

Utilizing a quantitative methodology, this study employs a descriptive and associative strategy. Quantitative techniques were employed in developing the research proposal, process, hypotheses, fieldwork, data analysis, and conclusions, involving the use of measurements, calculations, formulas, and numerical data reliability. As a result of its systematic, factual, and thorough approach, this research is classified as descriptive research, which aims to depict images, paintings, and depictions of various populations or areas. Furthermore, the study is considered associative research because it forms connections between various variables. (Ginting, 2018:55-57).

Bank Syariah Indonesia Ciputat Branch had a total of 60 employees, as determined by Sugiyono (2018:115). Population, as defined by the researcher, is an object or subject with specific qualities and traits that is analyzed to make conclusions.

Bank Syariah Indonesia was the location of the research conducted, using a census sampling technique. All members of the population were included in the sample, with a saturated sampling technique gathering data from 60 employees at the Ciputat Branch.

By implementing a Partial Least Square (PLS) approach to Structural Equation Model (SEM), we were able to conduct research hypothesis testing. This particular method utilizes components or variants to create the model. Structural Equation Model (SEM) is a statistical field of study specifically designed to test a series of complex relationships simultaneously. We chose to use a Structural Equation Model (SEM) analysis method in this research, specifically employing multiple regression analysis.

## RESULTS AND DISCUSSION

Testing hypotheses is a way to check if the independent variable has a direct impact on the dependent variable. According to the criteria for the test, if the coefficient path is favorable and the value of p is less than or equal to a 5% level of importance (alpha), it can be concluded that the exogenous variable has an important and favorable influence on the endogenous variable. Take a look at the table 1 below for the results of the hypothesis tests:

Table 1 Summary of Hypothesis Testing Results

Hypothesis	Original Sample	T Statistics	P Values
<b>Path Coefficients(Direct Influence)</b>			
Mutation→Employee performance	0.710	5,903	0,000
Compensation→Employee performance	0.141	1,077	0.282
Mutation→Human Resource Migration	0.063	0.488	0.625
Compensation→Human Resource Migration	0.602	5,495	0,000
Employee performance→Human Resource Migration	0.314	2,497	0.013
<b>Path Coefficients (Indirect Influence)</b>			
Mutation→Employee performance→Human Resource Migration	0.223	2,367	0.018
Compensation→Employee performance→Human Resource Migration	0.044	0.909	0.364

Based on the hypothesis testing summary table above, the results can be explained as follows:

### 1. Influence Mutation on Employee Performance

With a p value of 0.000 and an Original Sample value of 0.710, Influence Mutations on Employee Performance have been detected. The test conducted reveals that the level of significance (alpha = 5%) was surpassed, leading to the conclusion that there is indeed an impact of mutation on employee performance.

### 2. Influence Compensation on Employee Performance

The p value of Influence Compensation for Employee Performance comes out as 0.282, resulting in an Original Sample value of 0.141. What's interesting is that the p value is

greater than alpha (5%), indicating that compensation has no influence on employee performance according to the test results.

3. Influence Mutation on Human Resource Migration

An Original Sample value of 0.063 was produced when studying the effect of mutations on Human Resource Migration, yielding a p value of 0.625. However, the test revealed that the p value is greater than the level of significance (alpha = 5%), indicating that mutations do not impact Human Resource Migration in any way.

4. Influence Compensation on Human Resources Migration

With a value of 0.602 and a p value of 0.000, the Influence Compensation for Human Resource Migration test yields original results. The test shows that the level of significance (alpha = 5%) is surpassed by the p value, indicating the connection between compensation and human resource migration.

5. Influence Performance Employees on Human Resource Migration

With a p-value of 0.013 and an Original Sample value of 0.314, Influence Human Resource Migration on Employee Performance has been proven to be impactful. The test results indicate that the level of significance (alpha = 5%) is outweighed by the p-value, illustrating that employee performance does indeed influence human resource migration.

6. Influence Mutations on Employee Performance and Their Impact on Human Resource Migration

With a p value of 0.018, the Influence Mutations study yielded an Original Sample value of 0.223. The test indicates that there is an impact on human resource migration due to mutations, and this impacts customer employee performance. The significance level of alpha being 5% shows that the p value is less than its value, affirming the influence of mutations.

7. Influence Compensation for Employee Performance as well The impact on Human Resources Migration

Human Resource Migration affected by Employee Performance Compensation showcased a Rare Sampling value of 0.044 but the p value was 0.364. This examination proved that the p value is above the level of significance (alpha = 5%) and that Compensation does not exert its Impact on Employee Performance and the Migration of Human Resources.

## CONCLUSION

The author intends to draw conclusions from the research analysis and discussion results presented in the chapter. As a result of this research, the following conclusions can be drawn:

Employee performance is impacted by mutations, as evidenced by a p value of 0.000 and an Original Sample value of 0.710. The influence of mutations on employee performance was demonstrated through statistical testing, with the determined p value < level of significance (alpha = 5%).

The p value of 0.282 for an Original Sample value of 0.141 indicates that compensation does not impact employee performance. Test results reveal that the influence of compensation on employee performance is negligible, as the p value exceeds the level of significance at alpha = 5%. Therefore, it can be concluded that compensation has no effect on employee performance.

The test results reveal Human Resource Migration is unaffected by mutations, leading to a p value of 0.625 and an Original Sample value of 0.063. It can be interpreted that the

lack of influence of mutations on Human Resource Migration is confirmed as the p value exceeds the level of significance ( $\alpha = 5\%$ ).

Human resource migration is impacted by compensation, as indicated by a p-value of 0.000 and an Original Sample value of 0.602. The p-value being less than the level of significance ( $\alpha = 5\%$ ) confirms the influence of compensation on human resource migration.

An Original Sample value of 0.314 with a p value of 0.013 was obtained when analyzing the impact of employee performance on Human Resource Migration. Interestingly, the p value was found to be less than the level of significance ( $\alpha = 5\%$ ). Hence, it is clear that there is a distinct link between employee performance and human resource migration.

The effect of mutations on customer employee performance and the impact it has on human resource migration were analyzed. The original sample value was 0.223 with a p value of 0.018, indicating a significant result. Interestingly, the p value was found to be  $<5\%$  ( $\alpha$  level), suggesting that mutations have a real influence on customer employee performance and human resource migration.

When evaluating the impact of compensation on employee performance and subsequent human resource migration, a statistical test was performed. The original sample value of 0.044 with a p value of 0.364 was found. Upon further examination, it became evident that compensation does not correlate with employee performance.

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