

LITERATURE REVIEW OF ANALYSIS COMPENSATION, CONTINUOUS TRAINING, AND WORK MOTIVATION ON EMPLOYEE RETENTION IN THE DIGITAL ECONOMY ERA

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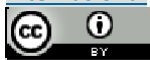
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ABSTRACT

This research is a literature review that will examine the analysis of compensation, continuous training, and work motivation on employee retention in the digital economy era. This research focuses on employees at Superindo supermarkets. The research population was Superindo supermarket employees where the sampling technique used was purposive sampling. This research will use the SPSS statistical tool as a data processing medium which will then test the feasibility of the data, research model and answer the research hypothesis.

INTRODUCTION

The development of technology and information has brought major changes to economic growth in various countries. The digital economy introduces various roles of digitalization into the economy and provides opportunities to analyze the impact of information and communication technology on economic and social systems. With a better understanding of the transformation of the digital economy, it will be helpful to make more informed decisions regarding investment decisions in research, products, services or adapting regulations and policies to suit the realities of the new era (Wijaya, T.P., 2011)

A company will be required to always improve its performance, with the hope of achieving the expected goals. Therefore, the existence of human resources is the most important thing that the business world needs to pay attention to. The potential of the company's human resources and large capital can bring the company to success. Realizing the importance of human resources, companies should pay attention to salary and bonus policies as appropriate rewards to appreciate employee performance. The salary received by workers tends to determine their standard of living and social position in society. The existence of compensation greatly influences employee behavior and performance. The higher the compensation employees receive from the company, the greater their welfare (Permata.P.R., 2016)

Compensation can be used as a reason for someone to work for a company, which is an important factor in employee retention. If the compensation provided by the organization is not commensurate with the employee's contribution to the company, then the employee will decide to leave the company and move to another company. Compensation itself is a form of company appreciation for the contribution and good service of its employees. In several studies, compensation has been proven to be an important factor in increasing employee retention. Salary alone is not enough, there are no bonuses and cuts in several aspects such as reduced vacation time, absenteeism, etc. has led to changes in employee attitudes. (Millena, R & Mon.M.D.,2022)

Proper training can improve employee performance on the job. Proper development can make employees more proficient in the work they do. These two factors support each other to improve work quality, better knowledge and human resources and improve employee performance. Many employees do the same thing every day. Therefore, this program can help employees discover the potential that exists within them. There have been many cases where employees were transferred to different departments after taking this step. The company can look at its current operating results and thereby move it to a higher position. Of course, after training, employees have greater potential to carry out the duties of that position (Wang & Ellinger, 2008)

Apart from explaining the importance of employees in an organization or business, research perspectives on human resource management in the digital era are also explored in this research. This research does not promise to propose new concepts or study new relationships, but rather to examine previously studied topics in a new context.

THEORETICAL REVIEW

Digital Economy

The digital economy is defined as “a virtual arena in which real business is conducted, value is created and exchanged, transactions occur, and personal relationships are developed through the use of the Internet as a medium of exchange”. This is marked by the increasingly widespread development of commercial or commercial transactions using digital media as a means of communication, cooperative and economic activities between companies or even interpersonal criteria such as e-Business and e-Commerce (Lai, 2007)

Employee Retention

Employee retention is a process that requires employees to remain in the organization for a maximum period of time or until the project is completed. Employee retention is the company's ability to retain potential employees needed to remain loyal to the company. Employee retention refers to company policies that aim to prevent employees from leaving the company. For companies, retaining quality employees is very important because retaining employees is better than looking for new employees. (Muchlis.N., & Gani.,N.U., 2017)

Compensation

Compensation can also be said to be both financial and non-financial rewards given to employees for the work they have done in an organization. Compensation can be in financial or monetary form or anything that can be measured in money or it can also be in non-financial form, including in the form of rewards, position, working conditions and so on. (Mujanah.S.,2017)

Continuous Training

Continuous training helps increase employee productivity in an ever-changing business world, continuous training for employees is a must to ensure high productivity and skills in various fields. Training that spans an employee's entire career plays a critical role in helping businesses stay relevant and competitive in an ever-changing marketplace (Center,J.T.T., 2023)

Work Motivation

Motivation plays an important role in employee performance. Employees who have high work motivation will work well, seriously and diligently to achieve maximum performance. High work motivation will encourage employees to work enthusiastically, in accordance with their responsibilities and be able to make a positive contribution to the organization. Motivating employees by providing appropriate salaries is one of the efforts that companies can make (Sударso et al., 2020).

Framework

A hypothesis is an uncertain conclusion because it needs to be tested for its truth or it could also be called a temporary answer to a problem being studied. A hypothesis can also be understood as a temporary theory used by researchers as a temporary guide for problem solving orientation. This temporary theory or hypothesis comes from theoretical conclusions which are then derived in the form of a hypothesis.

This hypothesis needs to be tested to verify its authenticity through the collection of experimental evidence (data). If the collected data further shows that the hypothesis is correct then the hypothesis changes position to become a thesis (a conclusion is an opinion obtained from empirical observations through certain methodological processes and work. Based on the problem formulation in this research, the author determines the research hypothesis as follows:

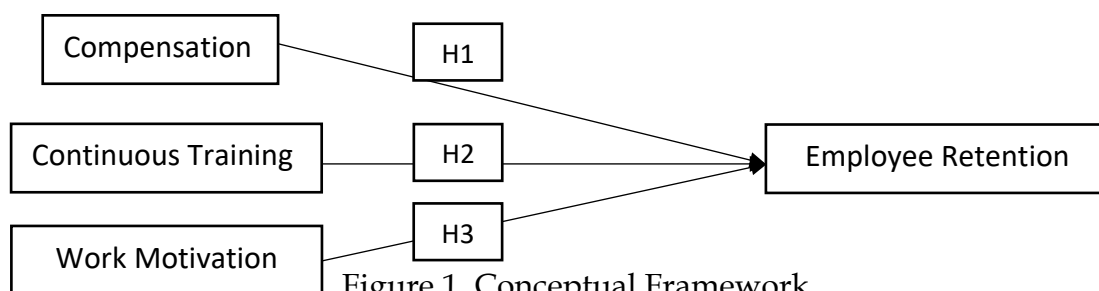


Figure 1. Conceptual Framework

H1: it is suspected that the compensation variable has a positive and significant effect on employee retention

H2: it is suspected that the continuous training variable has a positive and significant effect on employee retention

H3: it is suspected that the work motivation variable has a positive and significant effect on employee retention

H4: it is suspected that the variables of compensation, continuous training, and work motivation simultaneously influence employee retention in the digital economy era.

METHODOLOGY

This research uses a type of correlational research with a quantitative approach. The correlational method is one of several quantitative research methods used for evaluation. Especially to find out the extent to which the variation of a fact is related to the variation of one or more other factors based on the correlation coefficient. Various quantitative research methods such as correlation are research that aims to detect the degree of relationship between variations in one factor and variations in other factors based on the correlation coefficient (Sugiyono, 2018)

Population is a general area that includes objects/subjects with certain qualities and characteristics determined by the researcher to be studied and then drawn conclusions. Research subjects include people, objects, animals, plants, symptoms or events as data sources with certain characteristics in research. The population in this research is all employees who work at Superindo. Sampling technique is referred to as a method of taking samples to determine the samples that will be used in research (Sugiyono, 2018)

The sampling technique in this research is Non Probability sampling, namely a sampling method where not all individuals in a population have the same chance of being selected as the sample. Meanwhile, the sampling method uses purposive sampling, namely a sampling method carried out by determining certain criteria or considering certain characteristics of the sample or research object to be studied.

This research uses inferential quantitative data analysis techniques, namely by processing numerical data obtained from the results of distributing questionnaires to respondents and using SPSS statistical tools to analyze data by testing data feasibility, model feasibility and hypotheses.

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