
SYSTEMATIC LITERATURE REVIEW: THE INFLUENCE OF COMPENSATION ON EMPLOYEE PERFORMANCE IN BEAUTY CLINICS IN INDONESIA

Rakhmat Sigit Widodo¹, Nur Wening²

Universitas Teknologi Yogyakarta, Yogyakarta, Indonesia

rakhmat.6220111018@student.uty.ac.id

ABSTRACT

Today's beauty business is starting to be looked at by many business people in Indonesia. We can see this from the many public figures who have decided to enter this business. Currently, many people labeled crazy rich are also pursuing this business, so it can be said that the beauty business is quite promising. This study aims to determine the effect of compensation on employee performance in several beauty clinics in Indonesia. The research method used is a Systematic Literature Review (SLR) 6 (six). Journal articles with a slice of compensation variables and employee performance in beauty clinics were published between 2017 and 2023 (see attachment). From searching articles through Google Shoolar, research rabbit and publish or perish, only six articles were found that contained the desired variables with the object of research on employees in beauty clinics. Searches with the keywords compensation, employee performance, and beauty clinics produce many journal articles for research purposes other than beauty clinics. From this study, it is known that four out of 6 articles are studied that state that compensation affects performance in beauty clinics. This illustrates that, in general, compensation will positively affect employee performance in beauty clinics.

Keywords: Compensation, Employee Performance, Beauty Clinic, Skincare.

Corresponding Author: Rakhmat Sigit Widodo

E-mail: rakhmat.6220111018@student.uty.ac.id



INTRODUCTION

The beauty industry has experienced rapid growth, increasing demand for beauty services. Apart from maintaining appearance, another reason someone takes facial and body care is to follow the trend of socialite life and busyness that makes a person not have time to do their care, so they use skin care services to maintain facial and body appearance. Chairman of the Association of Indonesian Cosmetics Companies and Associations (PPAK) Solihin Sofian said until mid-2023, there were 1,080 companies engaged in the beauty industry. If you look again, based on data from the Central Statistics Agency (BPS), this number increased by 18.29% compared to the middle of 2022, which amounted to 913 companies (Handoyo, 2023).

However, behind the positive growth of the beauty industry, there are challenges related to human resource management that need to be addressed, especially the search for a suitable compensation model to improve employee performance in beauty clinics. Compensation is a common way to implement reasonable compensation policies, which can meet all the needs of employees' lives and improve employee performance (Yuliani & Siregar, 2023); (Habdullah et al., 2020). Compensation is all income in the form of money, direct or indirect goods provided by the company as a token of service for contributions to the company (Nugraha & Tjahjawati, 2017). Compensation is everything that employees receive as a sign of service (Nugroho et al., 2022).

Providing compensation must also fulfill the element of justice because, according to Ambar Teguh (2009: 267), the theory of justice (equity theory) must be created (Astuti, 2016). To get excellent and expected compensation, employees will work better. The compensation indicators include wages and salaries, incentives, allowances and facilities (Yusup et al., 2023). Compensation in salaries, bonuses, and specific awards has improved employee performance (Prasetyo, 2018).

Performance is the actual behavior that each person displays as a work achievement produced by employees in their role in the company (Yunarifah & Kustiani, 2012). Compensation that is up to the standards desired by employees will improve employee performance and loyalty; this is one of the keys to keeping employee turnover rates from being too high (Budiyanto, 2022). The company will prioritize maintaining employees with good performance so that the company's performance is not disrupted by the transition process related to the transfer of knowledge to employees.

The compensation most desired by employees is the provision of bonuses. Each beauty clinic has different policies for giving bonuses. Some provide bonuses of the same amount for each employee, and some provide bonuses based on each employee's performance. Some clinics even apply performance-based bonuses by focusing on upselling bonuses. The greater the product sales made by employees, the greater the bonus.

Based on the above background, this study aims to determine and analyze the effect of compensation on the performance of beauty clinic employees in Indonesia. This research benefits beauty clinic managers by providing insight into the importance of a fair and effective compensation system, increasing employee motivation and performance, and contributing to academic knowledge about human resource management in the beauty industry.

METHOD

This study uses the systematic literature review research method to examine six articles with compensation and employee performance variables to investigate employees in beauty clinics. Researchers want to know the effect of compensation variables on employee performance variables in several beauty clinics in Indonesia. Researchers searched for articles using Google Scholar media, research rabbit and publish or perish. From the search results of about 100 articles, six articles match the slices of compensation and employee performance variables, with the object of research being employees in beauty clinics.

RESULTS AND DISCUSSION

The following are the results of article searches found by researchers:

Table 1. Previous Related Articles

Article Identity	Variables Used	Object of Research	Research Model/Performance Indicators	Research Results
Nur Irma Yuliani, Onan Marakali Siregar (2023), Analysis of Leadership Style and Compensation in Improving	Leadership Style, Compensation and Employee Performance	Employees of The Clinic Beautylosoph y Medan	Descriptive and qualitative / Compensation Indicators: Wages and salaries, incentives, allowances and facilities.	At The Clinic Beautylosoph y Medan, the participative leadership style model is applied. When employees experience problems that interfere with improving performance, the leader immediately provides

Article Identity	Variables Used	Object of Research	Research Model/Performance Indicators	Research Results
Employee Performance of The Clinic Beautylosophy Medan, TRANSECONOMIC S: Accounting, Business and Finance, Volume 3 No. 1 (Yuliani & Siregar, 2023).			Employee Performance Indicators: Work Quality, Work Quantity, Timeliness, Effectiveness, Independence	personal encouragement, the leader has met the leadership standards, is friendly with subordinates, can nurture subordinates, often coordinates with subordinates, is responsible for his actions, and if there are subordinates having problems, participate in solving the problem. Providing compensation at The Clinic Beautylosophy Medan in the form of direct compensation, namely salary and indirect compensation in the form of performance bonuses, purchasing clothes for employees, and free facial treatments for employees, with compensation at The Clinic Beautylosophy Medan is what employees want, with various types of direct and indirect compensation, which can improve employee performance at The Clinic Beautylosophy Medan.
Tubel Agusven, Satriadi, Dila Fitriani, Fhira Desvika, Firly Adistia (2023), Employee Quality And Productivity Improvement Strategy At Natasha Skincare Tanjungpinang, UPMI Proceeding Series 1st UPMI International Conference Multidisciplinary Science, Vol 1 No 01: Ed.01 (Fitriani, 2023)	Employee Quality, Productivity Improvement	An employee of Natasha Skincare Tanjung Pinang	Descriptive Qualitative / Employee Quality: training, rewarding, and evaluating employee performance.	Performance appraisals assume that employees understand their work standards and provide the necessary feedback, development, and incentives to assist employees in eliminating poor performance or continuing good performance. They are a formal system used to evaluate the performance of employees based on predetermined work standards. Performance appraisals encourage the creation of a healthy reciprocal relationship between superiors and subordinates. The upselling reward incentive that Natasha Skincare does is a reward in the form of a bonus to

Article Identity	Variables Used	Object of Research	Research Model/Performance Indicators	Research Results
Felicia Veronica (2017), The Effect of Bonuses and Work Climate on Employee Productivity at Beauty Clinics, AGORA, Vol. 5, No. 1 (Veronica, 2017)	Employee Quality, Productivity Improvement	An employee of PT L'vior Jaya Sentosa	Quantitative / Indicator: Bonus, Work Climate and Employee Productivity	employees who successfully sell products exceeding the sales target. Contract extensions are also made to retain the company's best employees and facilitate the achievement of the goals set by Natasha Skincare. In addition, the reward will also increase job satisfaction for employees. This will also have a good impact on improving Natasha Skincare's performance. Based on the research results and discussion in the previous chapter, several conclusions can be drawn to answer the problem formulation. Some of these conclusions consist of: 1. The bonus variable has a negative and significant influence on Employee Productivity. This shows that employee work productivity can be formed through employee bonuses. Thus, the first hypothesis, which states, "It is suspected that there is a positive influence of Bonus on Employee Productivity at PT L'vior Jaya Santosa," is proven to be rejected. 2. The Work Climate variable has a positive but insignificant influence on Employee Productivity. This shows that employee work productivity can be formed through the work climate instilled in the company. Thus, the second hypothesis, which states, "It is suspected that there is a positive influence of Work Climate on Employee Productivity at PT L'vior Jaya Santosa", is proven to be accepted. 3. Bonus and Work Climate variables have a significant positive influence on

Article Identity	Variables Used	Object of Research	Research Model/Performance Indicators	Research Results
Selly Suci Marta Sari, Siti Khasanah, Syafiq Pasha, Vicky F Sanjaya (2021), The Effect of Motivation, Reward and Punishment on Employee Performance (Case Study of Puspita Beauty Clinic Bandar Lampung), Saburai Journal of Management Science, VOL 7, NO 1. (Syafiq, 2021)	Variables: Motivation, Reward, Punishment, Employee performance	Employee of Puspita Beauty Clinic Bandar Lampung	Quantitative descriptive / Motivation: physiological, security, social, appreciation and self-actualization. Reward: Salary and bonus, welfare, career development, psychological and social rewards. Punishment: minimizing mistakes, severe Punishment for repeat offenders, explanation of Punishment, and immediate Punishment if proven guilty. Employee performance: work quality, work quantity, task execution, responsibility for work.	Employee Productivity. Thus, the third hypothesis, which states, "It is suspected that there is a positive influence of Bonus and Work Climate on Employee Productivity at PT L'vior's Jaya Santosa", is proven to be accepted. Motivation, reward, and Punishment have a significant and positive effect on employee performance; the more quality motivation, reward, and Punishment have, the higher employee performance will be. It is similar to the effect of Motivation, Reward, and Punishment, which positively and significantly affect employee performance. In contrast, the motivation provided by superiors has a highly positive and significant effect on employee performance due to the price offered by service providers. Likewise with Rewards where employees agree with the reward system provided by the company and give a pretty good perception of the reward system they receive to be more responsible in carrying out their work and Punishment also has a very positive and significant effect on employee performance where the application in the puspita clinic Bandar Lampung is good enough so that even increasing it will not have an effect. The variables selected by the study have a significant effect on employee performance. So, this research is on the influence of reward and punishment motivation on employee performance. Performance is the result of work in quality and quantity that can be

Article Identity	Variables Used	Object of Research	Research Model/Performance Indicators	Research Results
Ismani, Dasmadi, Heri Purwanto (2020), The Effect of Training and Providing Incentives on Employee Performance at Ellena Skin Care Solo, Ekobis: Journal of Management Science and Accounting, December 2020, Vol. 8, No. 2 (Ismani, 2020).	Training, Incentives, Employee Performance	Employees at Ellena Skin Care Solo	Quantitative	achieved by an employee in carrying out tasks according to the responsibilities given. For employee performance to always be consistent, factors that affect performance must be identified, including work motivation, reward, and punishment/violation. Based on the discussion that the author has discussed in the chapters above, the following conclusions can be drawn: 1. Job training has a significant effect on employee performance. Ellena Skin Care Solo is a company engaged in body and facial care services, so every employee who works at Ellena Skin Care Solo always gets job training to provide skills for providing services to customers. 2. The results showed that incentives did not significantly affect the performance of Ellena Skin Care Solo employees. This is because the provision of incentives is a natural thing obtained by every employee who performs well at work, but in general, incentives have a value that is not large enough because incentives are only additional welfare to employees who have a more significant portion of work, meaning that to get incentives, employees are required to work with additional time or a more significant portion of work, this is considered the provision of incentives only as a substitute for fatigue pay. Based on the results of the research and discussion that the author described earlier regarding the analysis of the enthusiasm for work by
Cindy Cinthia Devi, Ilya Farida (2019), Morale of Maxine aesthetic	Morale, performance	Maxine's aesthetic medical personnel clinic Surabaya	Quantitative descriptive	

Article Identity	Variables Used	Object of Research	Research Model/Performance Indicators	Research Results
medical personnel Surabaya clinic on performance, Journal of the Faculty of Economics, Dr. Soetomo University, Vol. 27 No. 2, Page 77-90 (Devi & Farida, 2019)				medical personnel at PT Maxine Abdi Medika (Maxine Aesthetic Clinic) Surabaya, It can be concluded that the factors inhibiting and supporting the work enthusiasm of medical personnel are as follows: 1. Factors inhibiting the Morale of medical personnel From the informants' responses, the factors inhibiting the Morale of medical personnel are low compensation, lack of work discipline, and lack of employee contribution. The low compensation factor is because the compensation offered by the company is not competitive, so it has the potential to be the reason for the workers to leave the company, which means that for many people, compensation is necessary. A factor supporting morale is the motivation that must be given to employees for their services to the company. Low salary is one of the reasons for high turnover. The lack of work discipline is due to the need for more implementation of reward and punishment systems and company policies regarding operating days and hours. While the factor of lack of leadership contribution is due to leaders who are rarely in place, complaints and aspirations of medical personnel are less considered by the leadership, so these factors can be concluded to be factors inhibiting the work enthusiasm of medical personnel. 2. Factors Supporting Medical Workers' Morale

Article Identity	Variables Used	Object of Research	Research Model/Performance Indicators	Research Results
				From the results of the informants' responses, the factors supporting the work enthusiasm of medical personnel are a good work environment and adequate performance support facilities. The excellent work environment is due to a good working atmosphere and climate, including coworkers and the workspace provided. Meanwhile, the factor of adequate performance support facilities is because the leadership provides adequate and complete facilities for medical personnel and other employees and patients. This spurs the work enthusiasm of medical personnel so that they can further increase their productivity.

The research in this Systematic Literature Review took articles on different research objects with related variables: compensation and employee performance in beauty clinics. Of the six articles analyzed regarding the relationship between compensation and employee performance in beauty clinics, four states that compensation positively affects employee performance. In comparison, two articles conclude that compensation in the form of incentives hurts employee performance.

This research uses many quantitative methods by collecting data through interviews and surveys through questionnaires. The data obtained from the survey was processed using SPSS and PLS applications.

There are six research objects, namely employees at The Clinic Beautylosophy Medan, Natasha Skincare Tanjung Pinang employees, PT L'vior Jaya Sentosa employees, Puspita Beauty Clinic Bandar Lampung employees, Ellena Skin Care Solo employees and Maxine Aesthetic Clinic Surabaya medical personnel with the following conclusions:

Table 2. Object of the Research Clinic

Object of Research	Effect of Compensation on Employee Performance	
	Positive	Negative
Employees of The Clinic Beautylosophy Medan	V	-
An employee of Natasha Skincare Tanjung Pinang	V	-
An employee of PT L'vior Jaya Sentosa	-	V
Employee of Puspita Beauty Clinic Bandar Lampung	V	-
Employees at Ellena Skin Care Solo	-	V
Medical personnel maxine aesthetic clinic Surabaya	V	-

Source: Resume of Journal Research Results in 2024

The difference in research results is likely due to differences in the compensation received by the object of research with one another. At the PT L'vior Jaya Sentosa and Ellena Skin Care Solo clinics, the form of compensation provided is most likely still not by the standards of other clinics, so the effect of compensation is less felt on employee performance. Several sources stated that compensation or incentives that vary both financially and non-financially are very well implemented in the company because incentives can provide stimulation or motivation for employees to improve performance. (Kusuma et al., 2015). This will undoubtedly cause a different response between employees at one beauty clinic and another; the following are the results of the conclusion according to the researcher:

Table 3. Research Conclusion Results

Workplace	Form of Compensation			
	Financial		Non-Financial	
	As per	Not suitable	As per	Not suitable
The Clinic Beautylosophy Medan	V	-		
Natasha Skincare Tanjung Pinang	V	-		
PT. L'vior Jaya Sentosa	-	V		
Puspita Beauty Clinic Bandar Lampung	V	-		
Ellena Skin Care Solo	-	V		
Maxine Aesthetic Clinic Surabaya	V	-		

Source: Resume of Journal Research Results in 2024

At the Ellena Skin Care Solo clinic and PT L'vior Jaya Sentosa, employees consider the form of compensation received to still not be by the workload provided. So, the satisfaction of low employees cannot boost employee performance. Job satisfaction includes, among others, work, salary, promotion, supervisors, coworkers, communication, *benefits*, *contingent rewards* and implementation procedures (Simanjuntak & Sitio, 2021). In contrast, in other beauty clinics, employee satisfaction with the compensation obtained is relatively high, so the compensation can positively impact employee performance.

Based on the results and discussion above, compensation generally positively affects employee performance at the Beauty Clinic. Compensation in financial form will have a more compelling effect provided that the nominal and minimum amount of compensation is by the standards commonly accepted by employees at other Beauty Clinics.

The research journal study does not detail the compensation given to employees in beauty clinics. In every beauty clinic, the employee's employment contract usually includes a percentage of compensation in the form of bonuses for every action taken by medical staff employees and *upselling* bonuses for all employees who successfully sell products from beauty clinics. In addition, at the end of each year, there is usually a bonus for achieving the target based on the clinic's profit.

Improved employee performance will usually occur if the bonus uses performance-based calculations and is by the general standards that apply to clinics. As previously mentioned in the theory of justice (*equity theory*), according to Robbins and Judge (2008), employees will be loyal and improve their performance when they feel fairness and job satisfaction, especially regarding the compensation provided by the organization or company where they work (Widarti, 2017).

Therefore, it is advisable for every beauty clinic to pay attention and consider methods of providing compensation in performance-based and equitable bonuses for all employees. The following is an overview of bonus formulations that can be applied in beauty clinics:

1. Compensation (Bonus) for Medical Personnel Actions
 - a. The more complex the action, the greater the bonus percentage.
 - b. To respect the doctor's profession more, the percentage of bonuses for doctors is higher than for others while still paying attention to the bonus percentage *gap*.
 - c. Every medical action has a *Standard Operating Procedure* related to action time; if the medical action exceeds working hours, employees are required to receive an additional bonus in the form of overtime pay.
2. Compensation (Bonus) Product Marketing
 - a. The percentage received by all employees is the same, whether doctors, nurses or administrators.
 - b. To encourage employees to always offer products to consumers, there is an additional bonus for employees who successfully sell products in large quantities.
3. Compensation (Bonus) for Achieving Clinic Target
 - a. The percentage received depends on the performance assessment carried out by the supervisor; employees who perform well and poorly will receive bonuses in different percentages.

CONCLUSION

Based on the results and discussion above, compensation positively influences employee performance at the Beauty Clinic. Financial compensation has a more effective impact if the nominal and minimum amount of compensation is by the standards received by employees at other beauty clinics. Providing performance-based bonuses and by applicable standards will improve employee performance. Robbins and Judge's equity theory supports that employees will be loyal and improve their performance when they feel fairness and job satisfaction related to compensation. This research has implications for developing fair and performance-based compensation policies in beauty clinics, which can increase employee motivation and productivity. In addition, the findings encourage clinic management to implement a transparent compensation system that aligns with industry standards, thereby increasing job satisfaction and employee loyalty.

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