

## Effect of Compensation and Organizational Commitment on Employee Performance During WFH at Digital Company

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### Abstract

This study discusses the effect of compensation and organizational commitment on the performance of employees working from home during the COVID-19 pandemic. The object of the study was a digital platform-based outsourcing company. Research respondents were employees who work in digital platform-based outsourcing companies. The sampling technique used was a stratified approach by making criteria according to research needs. The method used is Partial Least Square. The data were obtained from a total of 100 respondents. The results showed that compensation and organizational commitment had a significant effect on employee performance. Compensation shows how employees still need financial resources that must be paid on time by the company. Organizational commitment shows the company's support while working from home during the COVID-19 pandemic. The company provides support for access to technology and resources to ensure maximum performance achievement by employees. This study provides recommendations to improve compensation for optimalization performance.

**Keywords:** Compensation, Organizational Commitment, Work from Home, Employee Performance

## Pengaruh Kompensasi dan Komitmen Organisasi terhadap Kinerja Karyawan Selama Bekerja dari Rumah pada Perusahaan Digital Outsourcing

### Abstrak

Penelitian ini membahas tentang pengaruh kompensasi dan komitmen organisasi terhadap kinerja karyawan yang bekerja dari rumah selama masa pandemi COVID-19. Objek penelitian dilakukan pada perusahaan outsourcing berbasis platform digital. Responden penelitian adalah karyawan yang bekerja di perusahaan outsourcing berbasis platform digital. Teknik pengambilan sampel menggunakan pendekatan stratified dengan membuat kriteria sesuai kebutuhan penelitian. Metode yang digunakan adalah Partial Least Square. Jumlah data yang digunakan adalah 100 responden. Hasil penelitian menunjukkan bahwa kompensasi dan komitmen organisasi berpengaruh signifikan terhadap kinerja karyawan. Kompensasi menunjukkan bagaimana karyawan masih membutuhkan sumber daya keuangan yang harus dibayar tepat waktu oleh perusahaan. Komitmen organisasi menunjukkan dukungan perusahaan selama bekerja dari rumah selama pandemi COVID-19. Perusahaan memberikan dukungan akses teknologi dan sumber daya untuk memastikan pencapaian kinerja yang maksimal oleh karyawan. Penelitian ini memberikan rekomendasi kepada perusahaan untuk memperhatikan kompensasi dan komitmen organisasi untuk menjamin efektivitas pencapaian kinerja.

**Kata kunci:** Kompensasi, Komitmen Organisasi, Bekerja dari Rumah, Kinerja Karyawan

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## **INTRODUCTION**

The outsourcing company investigated in the present study is engaged in the career development platform. This company was established to be a place for developing the expertise and experience of the millennial generation. The platform is developed to assist young job applicants in getting a job fitting their competence and expertise. The process of developing skills and experience will make job applicants get bigger opportunities in the competitive labor market. This company creates a website or application aimed at job applicants aged 18-30 years. This site was created to provide information about internship opportunities, part-time projects, and training for students. This site or platform is equipped with a live chat feature as a consulting service called Live Career Consultation.

The company's performance in the last 1 year has had more than 20,000 job applicants and 2,000 national and multinational companies, including start-up companies such as Gojek and Tokopedia. Its business vision is to become a talent and human resource development company both on a global and international scale. Meanwhile, its business mission is to place the young generation as the best candidate in the labor market according to their expertise and to build active awareness in the competition for human resources. This company has high methods and technology in filling the era of the industrial revolution 4.0 and digitizing human resources as an effort to meet business needs.

During the COVID-19 pandemic, some companies moved their entire work process. Employees work from home with all limitations in terms of access to facilities and resources. Most employees complain about the limited access to technology and equipment that is much more complete if all work is done in the office. It is also feared that compensation will decrease so that it will interfere with the focus of employees in carrying out work completion. This will have an impact on achieving performance in a comprehensive manner. Organizational commitment is an important behavioral dimension that can be used to assess employees for staying as part of a business entity (Stites & Michael, 2011). Employee performance is an important factor contributing to the company success (Astuty et al., 2020). Business organizations must plan an effective strategy to always maintain employee performance through competitive compensation and high commitment in maintaining work productivity. Compensation is one of the factors that can improve employee performance. The company must always give appreciation for the contribution and work results in maintaining the company's business existence. Organizational commitment is needed to maintain business and employee performance.

This study has differences in how compensation and organizational commitment play an important role in employee performance while working from home during the COVID-19 pandemic. The results are expected to be able to extend theories and applications related to employee performance improvement. The uniqueness of this research was carried out while working from home during the COVID-19 period so that it will show to what extent compensation and organizational commitment have an effect on employee performance. Selection of research objects in accordance with employee performance issues during the COVID-19 pandemic related to compensation and

organizational commitment. It must be understood how employee performance will be able to maintain the company's business sustainability in market competition. These two variables will be analyzed to see their effect on employee performance.

### **Compensation on Employee Performance**

Compensation is an indicator of rewards received by employees as a substitute for the company's business contribution. Compensation is the implementation of the human resource management function associated with all types of individual prices (Thaief et al., 2015). Compensation is used as a tool to improve employee performance (Rama Kumari et al., 2017). All employees will achieve the best performance according to job demands. This will go hand in hand with the performance improvements that are needed by the company. Form of support by providing competitive compensation. This aims to retain employees in the long term. The company desires to continuously improve employee performance by providing competitive compensation. Several studies explain that compensation has a significant effect on employee performance (Indrasari et al., 2019; Jean et al., 2017; Oetomo & Budiyo, 2020; Yang, 2016; Zafar et al., 2021). Compensation is a predictor variable for measuring employee performance. Employees who have contributed and performed the best deserve to be compensated fairly. This is intended to provide benefits in the form of financial and non-financial rewards. Employee compensation is generally designed for three purposes, namely: attracting skilled employees into the organization, motivating them to achieve superior performance, and creating job effectiveness. (Musriha, 2019). Therefore, it can be concluded that compensation has a significant effect on employee performance.

H1: Compensation has a significant effect on employee performance.

### **Organizational Commitment on Employee Performance**

Organizational commitment can be defined as encouragement from an individual to achieve a goal of organizational success that has been set according to the agreement of all members. Organizational commitment is a stage for employees to understand the goals and make the best contribution to long-term business sustainability (Robbins & Judge, 2017). Organizational commitment can be proven as support for providing access to technology and information when working from home. This is part of the process of adapting to new work patterns during the COVID-19 pandemic (Kelly, 2020; Kramer & Kramer, 2020).

Several research results indicate that organizational commitment has a comprehensive effect on employee performance (Cesário & Chambel, 2017; Hadian Nasab & Afshari, 2019; Khan et al., 2010; Nath Gangai & Agrawal, 2015). Indicators that can be used to increase organizational commitment include having a commitment to achieving work targets, pride in working for a long time, accepting all tasks according to leadership directions, and having high concern for the existence of the company's business so that it consistently produces the latest ideas or innovations. (Babalola, 2016; Soomro & Shah, 2019; Yu et al., 2019). Providing access to technology and information will ensure the

effectiveness of work that is more efficient in supporting the pattern of working from home (Chadee et al., 2021; Savić, 2020). Therefore, organizational commitment can show direction to employees to be able to provide the best work results for the company's business.

H2: Organizational commitment has a significant effect employee performance.

### **Employee Performance**

Performance is the work that has been done or achieved by a person in quality and quantity in carrying out tasks in a professional manner. Employee performance is a record of work results obtained based on a certain period of time (B. J. Kim, 2020). Performance has seven dimensions to measure including quality (accuracy, neatness, and ability to use work facilities), quantity (output and work output), knowledge (the ability of an employee with respect to matters relating to work tasks and procedures), adaptation (speed with new things), reliability (implementing work regulations, initiative, discipline), fostering working relationships (attitudes with partners and work unit leaders), and work safety (Langford et al., 2020; Mathis et al., 2015). The output of employee performance is how to maintain long-term business sustainability and face high business competition.

Measuring employee performance is important because it aims to determine the results of the work that has been done by employees. Performance measurement must be done in a fair, tangible and quantitative manner (Richard et al., 2009). Employee performance is very influential on the organization. If the organization cannot develop a good business strategy. So, this is a sign that the company cannot compete in the business world. Innovation and business ideas can be generated through the productivity and comfort that the organization provides through compensation and organizational commitment. Competitive compensation and organizational commitment can be used as predictors of improving employee performance. The success of an organization is greatly influenced by individual employee performance. Therefore, every organization or company will always try to improve employee performance, with the hope that what the company's goals will be achieved.

### **METHOD**

This study uses a Partial Least Square (PLS) approach. This method is very suitable for use in research models with various kinds of variable indicator tests. This method is used to analyze the feasibility of research variables, validity, reliability, and data variance extraction. The feasibility of the research variable indicator by looking at the outer loading value of at least 0.7. Data validity and reliability were measured by composite reliability, Cronbach-Alpha, and Rho above 0.7 (Afthanorhan et al., 2020; Hair Jr. et al., 2017). Extract variance data using AVE values above 0.5 (Hair et al., 2014). The selection of this method provides simplification compared to using multiple linear regression. Hypothesis testing using t test and the ability to explain the independent variable to the dependent variable with R-Square.

This method is used to analyze the effect of the independent variables on the dependent variable. The independent variables used are compensation and organizational commitment. The dependent variable is employee performance. The sampling technique used was purposive sampling. This approach is used according to research needs. The scale used consists of 5 components, namely 1 (Strongly Disagree), 2 (Disagree), 3 (Neutral), 4 (Agree), and 5 (Strongly Agree).

The object of the research is to take one of the outsourcing companies engaged in digital career development. The total population reaches 150 people. The data collection process is strived to reach 120 people for time efficiency and effectiveness. The number of respondents who were successfully obtained amounted to 100 people. The sampling process is stratified. The criteria for respondents are a minimum of 2 years of work, staff level, and doing work from home. Respondents taken were 100 people. This can represent the number of populations according to the availability of data according to research needs. Distribution of online questionnaires using google form. Data will be analyzed using Smart-PLS software. Below is a picture of the research model as follows:

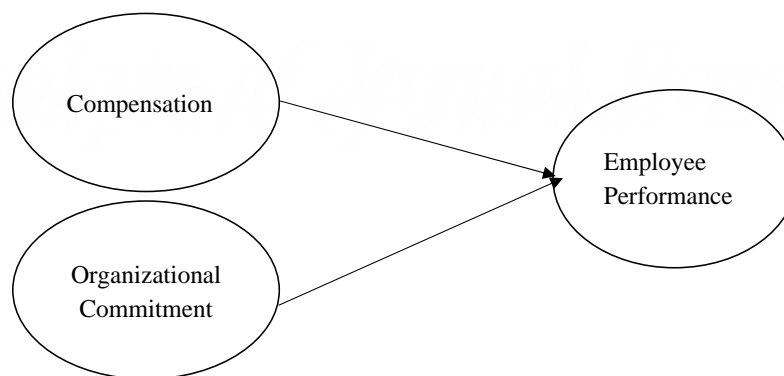


Figure 1. Research Model

The model above describes how compensation and organizational commitment influence employee performance. These two variables are used to see how big the implications of competitive compensation and organizational commitment are in an effort to improve employee performance. Several studies have shown how compensation has an influence on employee performance (Lamalewa et al., 2018; Sukandi et al., 2019; Wolor et al., 2019). Previous studies explain that compensation has an important role in improving employee performance. Competitive compensation strategy can improve employee performance in a comprehensive manner (Tuzovic & Bruhn, 2005). This means that it will prove how significant compensation is to employee performance.

Organizational commitment will be seen as how it affects employee performance. Several studies have shown that organizational commitment has an effect on employee performance (Abdullah et al., 2013; Hidayah & Tobing, 2018; Tsui et al., 2013). Organizational commitment is able to show how to implement business planning in the work processes performed by employees. Organizational commitment requires how the ability to provide facilities, technology and procedures in achieving business targets. Employees as performance subjects in an effort to achieve performance both individually and in an organization. This must get the full support and commitment of the

organization. Therefore, organizational commitment and compensation are examined to see their effects on employee performance. Below are the indicators of the variables used in this study:

Table 1 Latent Variables & Indicator

Latent Variables	Indicator / Measurable	References
Compensation	The company provides bonuses to employees for achieving work targets (CP1)	(Lamalewa et al., 2018; Sukandi et al., 2019; Wolor et al., 2019)
	The company always provides holiday allowances to employees on time (CP2)	
	The company always provides security guarantees and work accidents to employees (CP3)	
	The company always provides health insurance to employees (CP4)	
	Employees feel safe and comfortable with the benefits provided by the company (CP5)	
Organizational Commitment	I always want to be involved in achieving the company's business targets (OC1)	(Abdullah et al., 2013; Hidayah & Tobing, 2018; Tsui et al., 2013)
	I have a desire to join the work process both individually and in groups according to company directions (OC2)	
	I strive optimally for the best contribution and ideas for the achievement of the company's business targets (OC3)	
	I am always provided with facilities and technology to support work completion (OC4)	
	I am always given appreciation by the company for my performance (OC5)	
Employee Performance	Employees are able to produce the work output set by the company (EP1)	(Pauline Ramos & Tri Prasetyo, 2020; Stavsky, 2020)
	Employees have the knowledge and skills in completing job targets (EP2)	
	Employees were able to adapt to new habits of working from home during COVID-19 (EP3)	
	Employees can be counted on while working from home during the COVID-19 period (EP4)	
	Employees are able to maintain working relationships with superiors virtually during the COVID-19 pandemic (EP5)	

**FINDING AND DISCUSSION**

The initial stage of this research is to explain the characteristics of the respondents. The data were collected using questionnaire, which was distributed via google form. 100 employees of a digital career development platform outsourcing company were recruited as respondents. The respondent's profile is presented as follows:

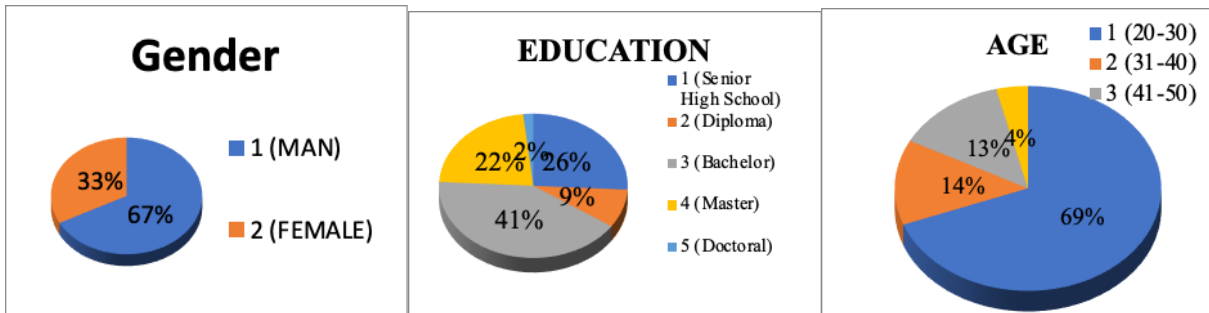


Figure 2. Respondents Profile

The picture above shows that the total male respondents are 33% and 67% female. The total number of respondents with undergraduate education was the majority of 41%, followed by 26% (Senior High School), 22% (Master Degree), 9% (Diploma Degree), and 2% (Doctoral Degree). This can indicate that the level of education at this company is worthy of being a respondent so that the objectivity in answering questions is very high and accurate. The picture above shows that employees who work for the company are at productive age, with a percentage of 69% & (20-30 years). Then followed by 14% (31-40 years), 13% (41-50 years), and 4% (51-60 years). It can be concluded that the company provides opportunities for millennials to continue to develop and improve performance comprehensively. Employees of 31-40 years of age are given the opportunity to occupy a managerial level. 41-50 years old are given the opportunity to occupy the executive level and the rest enter retirement age.

Table 2 Outer Loading Variables

Indicator	Compensation	Employee Performance	Organizational Commitment
CP1	0.746		
CP2	0.708		
CP3	0.814		
CP4	0.707		
CP5	0.859		
EP1		0.786	
EP2		0.701	
EP3		0.721	
EP4		0.761	
EP5		0.703	
OC1			0.851
OC2			0.782
OC3			0.735
OC4			0.870
OC5			0.781

**Partial Least Square**

This study used a multiple regression approach based on Partial Least Square (PLS). The initial stage is to check the appropriateness of the data and indicators on all variables. Examination of research feasibility includes indicators on variables, data validity and reliability, and outer loading indicator. The results of the indicators for all variables as can be seen in table 2.

Table 2 shows that all the indicators used can be used in the research model. All research indicators have met the convergent validity aspect. This can be seen where the value of outer loading is  $> 0.7$ . So, it can be concluded that the indicators have a correlation to all the variables in the research model. Then the next step is to analyse the validity and

Table 3 Validity & Reliability

Variables	Cronbach Alpha	Rho-A	Composite Reliability	Average Variance Extracted
Compensation Employee Performance	0.819	0.884	0.866	0.567
Organizational Commitment	0.765	0.777	0.839	0.512
	0.825	0.851	0.877	0.592

reliability aspects of the data. Below is a table of data validity and reliability test results as follows:

Based on the table above, it shows that all variables are able to meet aspects of data validity and reliability. The values of Cronbach Alpha, Composite Reliability, & Rho-A  $> 0.7$  and Average Variance Extracted  $> 0.5$ . All the values in the table above indicate that the use of data is able to meet aspects of data validity and reliability. The next stage is to

Table 4 R-Square

Variable	R-Square	Adjusted R-Square
Employee Performance	0.549	0.530

look at the resulting coefficient of determination between compensation and organizational commitment to employee performance as follows:

Compensation variables and organizational commitment are able to influence employee performance with a percentage of 54.9% and the remaining 45.1% outside the research model. This explains that there are still variables that can be included to measure employee performance. These two variables are able to show 54.9% to analyze the implications for employee performance. The next stage is to analyze the significance of the indicators used in the compensation variables and organizational commitment to employee performance. Below is a table of the significance of the variable indicators as follows:



Table 5 Significance of Indicator Variables

Indicator Variables	Original Sample	Sample Mean	Standard Deviation	T-Statistic	P-Values
CP1 <-- CP	0.746	0.710	0.167	4.455	0.000
CP2 <-- CP	0.632	0.629	0.119	5.298	0.000
CP3 <-- CP	0.814	0.821	0.055	14.774	0.000
CP4 <-- CP	0.700	0.689	0.109	6.439	0.000
CP5 <-- CP	0.854	0.812	0.125	6.829	0.000
EP1 <-- EP	0.786	0.774	0.085	9.251	0.000
EP2 <-- EP	0.616	0.579	0.192	3.208	0.000
EP3 <-- EP	0.721	0.685	0.161	4.475	0.000
EP4 <-- EP	0.761	0.752	0.139	5.471	0.000
EP5 <-- EP	0.683	0.699	0.106	6.437	0.000
OC1 <-- OC	0.851	0.846	0.048	17.845	0.000
OC2 <-- OC	0.782	0.773	0.072	10.935	0.000
OC3 <-- OC	0.635	0.628	0.119	5.335	0.000
OC4 <-- OC	0.870	0.865	0.044	19.750	0.000
OC5 <-- OC	0.681	0.674	0.101	6.718	0.000

The table above explains that all indicators represented by compensation, organizational commitment, and employee performance are able to influence each research variable. This is evidenced by the p-values <0.05 and 2.00> T-Statistic. All indicators can be used to see how compensation and organizational commitment affect employee performance. The next step is to analyze the research hypothesis testing. Below is a table of hypothesis test results as follows:

Table 6 Path Coefficient

Variables	Original Sample	Sample Mean	Standard Deviation	T-Statistic	P-Values
Compensation	0.338	0.359	0.130	2.666	0.000
Organizational Commitment	0.504	0.524	0.122	4.140	0.000

From the results of hypothesis testing, it can be concluded that compensation and organizational commitment have a significant effect on employee performance. It can be seen that the p-values are 0.000 <0.05 and T-Statistics> 2.00 (T-Table). The compensation variable has a direct effect on employee performance by 33.8%. Organizational commitment variable has a direct effect on employee performance by 50.4%. These two variables greatly affect employee performance in achieving the company's business targets. The results of this study concluded that compensation and organizational commitment have very important implications for improving employee performance.

## Discussion

### Compensation on Employee Performance

Compensation has a significant effect on employee performance (Ayuningtyas & Whidya Utami, 2019; H. S. Kim & Jang, 2020; Rama Kumari et al., 2017). This variable is able to explain the implications for employee performance by 33.8%. This dimension

explains how the company must be able to provide and formulate competitive compensation formulations in order to maintain employee performance stability. Achieving performance does not only require a business strategy that is able to maintain market competition, but compensation must be given according to employee productivity and contribution. Competitive compensation will give the company the ability to retain long-term employees (Syahreza et al., 2017). Companies must understand that achieving any target requires the contribution and effort of all employees. Therefore, compensation will be an easy predictor to measure employee performance as an effort to achieve business targets.

However, it is shown in several research results which show that compensation has no implications for employee performance (Bagis et al., 2020; Muchran, 2021). The results of this study differ due to working conditions, and business processes. The company's ability to compensate employees has a significant impact on the quality of performance. This study uses variables that have direct implications for employee performance. The digitization process carried out by the company makes the work practical. This supports the process of working from home during the Covid-19 pandemic.

Competitive compensation must be able to support employee work processes. This variable indicator is able to represent the measurement of compensation for employee performance. The components of the compensation indicator include bonuses, holiday allowances, work safety & accident insurance, health insurance, and benefits other than the basic salary received by employees. These five indicators show how the company has the capability and ability to maintain the work processes performed by employees for the achievement of business targets. This will go hand in hand with the profitability the company gets according to employee performance. All components of compensation have been able to be provided by the company in order to maintain employee performance stability. The company's capabilities will continue to increase along with the employee's performance in generating innovations or new ideas according to market needs. Compensation is a factor in the company's success in improving employee performance in a comprehensive manner (Ingsih et al., 2017).

The indicator that has the highest implications is the sense of comfort and benefits provided by the company. The implication given to this indicator is 85.4%. This company is able to provide a conducive work situation and a sense of security for all employees. The work situation will be able to provide flexibility for employees to increase their focus on the job targets given by the company (Colbert et al., 2004). However, the company must provide benefits beyond the basic salary and allowances provided to employees. This company provides benefits both financially and non-financially. Financial benefits provided to employees include regular salary increases, tuition reimbursement, educational scholarships, transportation, and special policies for employees who have the highest performance each year. Non-financial benefits provided to employees include home care, nursing rooms for employees with babies, family gatherings, and other components according to company policy.

The next component of compensation is security and work accidents. This indicator has representative implications for compensation of 81.4%. Security guarantees and work accidents are the company's obligations to its employees. The company tries to give employees an obligation so that they are not worried if a work accident occurs so that it can be borne by third parties. The company guarantees work safety and accidents according to government regulations. All employees are registered as BPJS Ketenagakerjaan participants. This aims to fulfil a sense of security and there is no need to worry if at any time an unwanted condition occurs by both the company and employees.

Bonuses are a major component that must be considered by companies. This indicator has implications for compensation of 74.6%. This component is the hope of employees to try their best as part of efforts to achieve performance objectivity (Anik et al., 2013). The bonus will be able to maintain motivation and increase employee morale. The company has procedures or rules related to providing bonuses to employees who excel and achieve maximum performance (Nyberg et al., 2016). Then the company must pay attention to how to provide additional support including health insurance, holiday allowances, safety insurance & work accidents, and benefits outside the basic salary received by employees. These four components provide a competitive power for the company to retain employees in the long term.

The next component of compensation is health insurance. This indicator is able to represent 70% of compensation. Health insurance must be provided to employees to ensure their prime condition upon completion of work. The company provides health insurance both according to government regulations and in addition to cases of certain diseases. All employees are registered as BPJS Kesehatan participants in accordance with the regulations required of all employees. Another addition to health insurance is that the company collaborates with a third party to handle any employees who are sick or need emergency treatment that cannot be handled by government agencies. This item is given to all employees by registering with a private insurance company. The two components complement each other what employees need in health insurance. Therefore, employees do not need to worry about health problems and are ready to be covered by the company according to applicable regulations.

Holiday allowances are the lowest indicator on the compensation dimension. This indicator is representative of compensation at 63.2%. According to government regulations, holiday allowances must be given to employees once a year. This aims to appreciate and provide opportunities for employees to meet the needs of the holidays and to provide time for worship according to their religion. The holiday allowance will be an interesting indicator of how companies are able to implement diversity in their work environment. The five indicators in the compensation dimension are able to represent employee performance. All components can be provided properly by the company. It can also help keep employees focused on completing work and achieving business targets in a comprehensive manner. Therefore, it can be concluded that all indicators on the compensation dimension are able to represent employee performance.

### **Organizational Commitment on Employee Performance**

The dimension of organizational commitment has implications for employee performance by 50.4%. Organizational commitment indicators are able to represent employee performance. This can be seen at p-values <0.05 and T-Statistic> 2.00 (T-Table). The five indicators used can see how committed the organization is to involving employees in all its business processes. Components can explain the company's ability to provide facilities, opportunities, loyalty, and employee involvement to achieve its business targets. This can be seen by employees in achieving job targets according to the performance indicators set by the company. Different results show that organizational commitment has no effect on employee performance (Sari & Sa'adah, 2019; Sholikhah & Prastiwi, 2020). This difference is caused by the organization's ability to support efforts to improve employee performance. Organizational commitment is needed to provide the facilities and facilities needed by employees. Facilities can improve employee performance. The company provides various facilities while working from home. Use of Zoom as a virtual meeting to support health protocols and work progress discussions.

Provision of facilities and technology has the highest percentage of organizational commitment at 87%. This indicator is able to explain how the company supports the achievement of employee performance. Facilities and technology are needed to accelerate the completion of work carried out by employees. High performance indicators require organizational commitment and consistency with what employees need in completing work. Both components will be able to help achieve organizational and individual performance achieved by employees. Employee involvement is needed as a form of implementation of the successful provision of facilities and technology by the company.

Employee involvement is a representative indicator for the success of organizational commitment by 85.1%. This indicator is able to explain that the company provides broad opportunities for employees to provide new ideas or innovations according to market needs. Employee involvement will provide high flexibility to business improvisation. This will have a comprehensive effect on the performance of both the company and employees (Nur Insan, 2020; Roslin et al., 2019). This is reinforced by the company's ability to encourage employees to work both individually and in teams. This indicator has a percentage of 78.2%. This company direction is able to increase the strong desire of employees to be able to work individually or in teams. Work carried out individually is directed according to employee competencies. Work teams are formed to handle business targets that have high complexity and need for diversity of competencies. Therefore, the results of the study explain that employee involvement is supported by work processes that can be carried out both individually and by work teams according to the company's business needs.

Organizational commitment can be shown how to give appreciation to employee performance. This indicator is able to represent the organizational commitment by 68.1%. Organizations must provide appreciation in both financial and non-financial forms for the achievement of employee performance. This proves that there are still some employees who hope that performance achievement can be given either in the form of bonuses or rewards according to company capabilities (Armstrong et al., 2011). This is reinforced by

an indicator of a strong desire from employees to make the best contribution to the company's business. This component is able to represent organizational commitment by 63.5%. These two components go in the same direction where the company must be able to give awards as a form of appreciation for employee performance. Then employees will have a strong desire to give their best for achieving business targets in a comprehensive manner. So, it can be concluded that all indicators used in organizational commitment can represent employee performance.

### **Theoretical and Practical Implications**

The results showed that compensation and organizational commitment had a significant effect on employee performance during the COVID-19 Pandemic. The five indicators used to analyze the effect of compensation on performance had a significant effect on employee performance. This proves that compensation is the main factor and reason for employees to achieve job targets (Larkin et al., 2012; Schwab & Dyer, 1973). Employees will be motivated if given a compensation that is commensurate with the achievement of performance both individually and in the work team in achieving work targets (Ho et al., 2009; Idris, 2015). The balance of compensation shown through this research can prove that theoretically it is very influential on employee performance.

Another supporting component is organizational commitment. This study shows that theoretically organizational commitment has a significant effect on employee performance during the COVID-19 pandemic. The five indicators used to analyze the effect of organizational commitment have a significant effect on employee performance. Organizational commitment is needed to achieve the performance set by the company (Francesco & Chen, 2004; Fu & Deshpande, 2014). This component shows how the company's ability and capacity to provide what employees need in achieving performance. Theoretically, this study proves that organizational commitment has important implications in achieving performance (Chidir et al., 2020; Taba, 2018). Therefore, compensation and organizational commitment is theoretically proven to significantly affect employee performance.

### **Business Implication**

The implementation of competitive compensation will greatly determine the success of employee performance achievement. Applicative implementation in the business world that compensation will always be the main motivation for all employees in achieving job targets. The company must have a good relationship with employees by providing timely compensation according to the work contract. This will have a positive effect in the eyes of employees on how to best contribute to the sustainability of the company's business. Working from home requires access to technology and information to ensure work performance. The adaptation of new habits from working from home will still ensure employee productivity in achieving performance (Pauline Ramos & Tri Prasetyo, 2020). The success of working from home requires an organizational commitment to ensure the sustainability of the company's business during the COVID-19 pandemic (Tripathi &

Bagga, 2020). Working from home must be based on high trust and optimism when limitations must be faced by employees (Biron et al., 2020). The implementation of organizational commitment must be carried out for the achievement of company goals and the adaptation of new work patterns.

## CONCLUSION

This study concludes that compensation and organizational commitment are needed for the success of employee performance. The five indicators used by compensation and organizational commitment prove quantitatively to be the key to successful achievement of performance both individually and in the organization. Digital platform-based outsourcing companies must pay attention to these two main components in achieving employee performance. The new adaptation process of working from home is not a barrier to being able to provide the best performance for the company. Therefore, this company must make employees a major asset and carry out organizational commitments consistently.

This study suggests that competitive compensation is needed to maintain employee performance stability. This can be adjusted to the company's capabilities. Competitive compensation can be used as the main asset in retaining employees who have the best performance. The company should not forget to carry out its obligations as a form of professional organizational commitment. Therefore, research is able to present new colors, both theoretically and practically, that compensation and organizational commitment have a significant effect on employee performance.

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