

Effect of Compensation, Talent Management, and Job Satisfaction on Employee Performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks

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ABSTRACT

In recent years, organizations have experienced significant changes in the business environment. These changes have impacted the way they manage human resources. Employee performance has become a key factor in organizational success. However, many organizations still struggle to improve employee performance. This is due to several factors, including inadequate compensation, ineffective talent management, and low job satisfaction. The aim of this research is to analyze the effect of compensation, talent management, and job satisfaction on employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. This study uses quantitative research. The population in this study was 45 employees of the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. The number of samples used was the same as the population all 45 employees of the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. The data analysis techniques in this study employed descriptive statistics and multiple

linear regression analysis. The results show that compensation has a positive and significant effect on employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. Talent management has a positive and significant effect on employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. Job satisfaction has a positive and significant effect on employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks.

Keywords: Compensation, Talent Management, Job Satisfaction, Employee Performance

INTRODUCTION

In recent years, organizations have experienced significant changes in the business environment. These changes have impacted the way they manage human resources. Employee performance has become a key factor in organizational success. However, many organizations still struggle to improve employee performance. This is due to several factors, including

inadequate compensation, ineffective talent management, and low job satisfaction. Therefore, organizations must consider factors that influence employee performance, including providing adequate compensation as a form of appreciation, both financial and non-financial, because compensation will influence the extent to which organizational goals can be achieved. Compensation is all income, whether in cash, in kind, or indirect, received by employees in exchange for services rendered to the company (Hasibuan, 2020). Compensation in kind means that compensation is paid in cash to the employee. Compensation in kind means that compensation is paid in kind. If managed properly, compensation helps organizations achieve their goals and attract, retain, and retain employees. Conversely, without adequate compensation, existing employees are highly likely to underperform, and job satisfaction can even be affected, resulting in low employee performance.

Organizations must be wary of these conditions if they want to continue growing. Besides compensation, talent management also plays a crucial role in influencing employee performance. Effective talent management can help employees develop their abilities and potential, thereby improving their performance and contribution to the organization. Several aspects of talent management can influence employee performance (Martocchio, 2019). Identifying employee talent and potential, developing employees through training and development, providing opportunities for growth and career advancement, providing rewards and incentives for high-performing employees, and building an organizational culture that supports employee development.

The role of talent management in influencing employee performance is that employees have different needs, and talent management can help employees meet these needs. Employees have the potential to grow and improve their abilities, and talent management can help them develop this

potential. Furthermore, the concept of organizational culture states that organizational culture can influence employee performance, and talent management can help shape an organizational culture that supports employee development (Moorhead and Griffin, 2018).

Securing replacement candidates for executive positions. Promote executive diversity in key positions. Build a culture that encourages top executives to perform at their peak potential. Develop an employee assessment process that transcends the perspective of the employee's manager. Build a sense of belonging for talented employees and open up unlimited opportunities for those with exceptional talents. Talent is a key employee who possesses sharp strategic thinking, the ability to attract and inspire others, entrepreneurial instincts, functional skills, and the ability to create results. Talent is an employee who is able to make above-average contributions through achieving high performance or possessing potential that will influence the current and future growth of the organization. This talent is not limited to a certain level but applies to all functions and groups within the organization. Job satisfaction is an affective or emotional response to various aspects or aspects of a person's work so that job satisfaction is not a single concept. A person can be relatively satisfied with one aspect of the job and dissatisfied with one or more other aspects. Job satisfaction is a (positive) attitude of the workforce towards their work, which arises based on an assessment of the work situation. The assessment can be made on one of their jobs, the assessment is done as a sense of appreciation in achieving one of the important values in the job. Satisfied employees prefer their work situation rather than dislike it (Spector, 2020).

The aim of this research is to analyze the effect of compensation, talent management, and job satisfaction on employee performance at the West Sumatra Provincial

Cultural Service, Regional Technical Implementation Unit for Cultural Parks.

RESEARCH METHODS

This study uses quantitative research. Quantitative research is a method of collecting and analyzing data that uses numbers and statistics to measure phenomena (Ansori, 2020). This approach aims to test hypotheses, measure relationships between variables, and produce objective and generalizable conclusions, often used in the natural and social sciences.

The population in this study was 45 employees of the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. Sampling is the process of selecting a sufficient number of elements from a population (Sugiyono, 2016). Researchers study samples to be able to draw conclusions that can be generalized to the study population. In this study, the author used a saturated sampling method or census method, a sampling technique in which all members of the population are used as samples (Sugiyono, 2016). The number of samples used was the same as the population all 45 employees of the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks.

The data analysis techniques in this study employed descriptive statistics and multiple linear regression analysis. Multiple linear regression analysis is used by researchers to predict the condition (rise or fall) of a dependent variable when two or more dependent variables, acting as predictors, are manipulated (their values are increased or decreased) (Kurdhi et al., 2023).

RESULT AND DISCUSSION

Descriptive Statistical Analysis Result

The respondent profile in this study aims to examine the situation or condition of the respondents studied. Based on the distribution of 45 questionnaires,

researchers obtained an overview of the respondent profile compared to other data.

The most common respondents in this study were 30–39 years old, with 18 respondents representing 40%, while the least common were 50–59 years old, with 7 respondents representing 15%. This means that employees of the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks, are predominantly in the 30–39 age group.

The most common respondents in this study were men, with 27 responses representing 60%, while the least common were women, with 18 respondents representing 40%. This means that employees at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks, are predominantly male.

The most common respondents in this study were undergraduate graduates, with 20 respondents representing 44%, while the fewest were undergraduate graduates, with 3 respondents representing 7%. This means that employees at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks, are predominantly undergraduate.

The most common respondents in this study were those earning between Rp3,000,000 and Rp4,999,999, with 18 respondents representing 44%, while the least were below Rp3,000,000, with 6 respondents representing 13%. This means that employees at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks predominantly earn between Rp3,000,000 and Rp4,999,999.

Multiple Linear Regression Analysis Result

Multiple linear regression analysis consisting of a partial (t) test, is used to test one of the hypotheses in the study, which is used to examine the partial effect of each independent variable on the dependent variable. The results are as follows:

Table 1. Multiple Linear Regression Analysis Result

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.941	.813		1.157	.254		
	Compensation	.340	.195	.276	1.941	.039	.491	2.038
	Talent Management	.346	.141	.278	2.456	.018	.963	1.038
	Job Satisfaction	.515	.196	.416	2.623	.012	.490	2.040
a. Dependent Variable: Employee Performance								

Source: Data Processed by Researchers (2025)

Compensation has a positive and significant effect on employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. This means that as compensation increases, employee performance will also improve. Research conducted by Milkovich and Newman (2019) shows that adequate compensation can increase employee motivation and performance. This study also found that unfair compensation can make employees feel unfair and unmotivated to perform better. Another study by Locke and Latham (2019) showed that adequate compensation can improve employee job satisfaction and performance. This study also found that inadequate compensation can reduce employee motivation to perform better.

Talent management has a positive and significant effect on employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. This means that as talent management improves, employee performance will also improve. Effective talent management can improve employee performance because it helps employees develop their abilities and skills and can further their careers. Previous research has shown that effective talent management can improve employee performance. Research by Ulrich (2019) demonstrated that effective talent management can improve employee abilities and skills. Research by Cappelli (2019) demonstrated that effective career management can increase employee job

satisfaction and performance, and research by Boudreau and Ramstad (2019) demonstrated that developing an organizational culture that supports talent development can improve employee performance.

Job satisfaction has a positive and significant effect on employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. This means that as perceived job satisfaction increases, employee performance will also improve. Job satisfaction has a positive relationship with employee performance. Employees who are satisfied with their jobs tend to be more motivated and committed to achieving organizational goals. Therefore, companies must pay attention to employee job satisfaction to improve performance and productivity. Previous research by Locke and Latham (2019) found that job satisfaction has a positive relationship with employee motivation and performance.

CONCLUSION AND SUGGESTION

The results show that compensation has a positive and significant effect on employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. Talent management has a positive and significant effect on employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks. Job satisfaction has a positive and significant effect on

employee performance at the West Sumatra Provincial Cultural Service, Regional Technical Implementation Unit for Cultural Parks.

Based on the research results and discussion, the following recommendations are made for future researchers who wish to conduct similar research:

1. For compensation variable, the researcher recommends that employees receive bonuses and other rewards from the agency.
2. For talent management variable, the researcher recommends that differences of opinion be valued as part of the decision-making process.
3. For job satisfaction variable, the researcher recommends that the workplace temperature be comfortable enough for work.
4. For employee performance variable, the researcher recommends maintaining good communication within the team.

Declaration by Authors

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