

Literature Review (LR): The Influence of Compensation on Teacher Performance

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ABSTRACT

Objective: To examine the influence of compensation on teacher performance and its impact on the quality of education in a country. **Method:** This study evaluates the role of compensation – including salary, benefits, allowances, and other incentives – in motivating teachers and enhancing their performance. A qualitative approach was used to assess how adequate compensation correlates with teacher morale and effectiveness. **Results:** Findings indicate that sufficient compensation significantly boosts teacher motivation and performance. Teachers who feel valued through appropriate remuneration demonstrate higher morale and contribute to improved educational outcomes. Conversely, inadequate compensation can diminish teacher morale, potentially degrading the quality of education delivered. **Novelty:** This study highlights the critical connection between compensation satisfaction and teacher performance, emphasizing its role not only as financial support but also as a form of recognition that impacts educational quality.

INTRODUCTION

In improving productivity in an educational institution, one of the supporting factors is the quality of human resources. A civilized nation is one that possesses quality resources capable of competing in keeping pace with the advancement of science, technology, and religion with other nations. Schools, as one of the educational institutions, play a very important role in realizing government programs in the field of education. The main role in the school environment is the teacher, where the teacher, as an educator who directly interacts with students, is tasked not only with transferring knowledge but primarily with educating students to create a generation that excels in facing the challenges of their time.

In carrying out their roles as teachers, it is only right that teachers receive rewards or compensation for the services they have provided for the progress of a nation. The rewards for teachers' services are stipulated in laws or regulations set by the government. As for the compensation, there are material aspects such as salary, incentives, allowances, and so on, while non-material aspects can include health insurance, supportive work facilities, transportation, bonuses, and a conducive and healthy work environment. This is done with the aim of ensuring that teachers receive fair rewards or compensation to meet their needs. The provision of appropriate compensation is expected to encourage or motivate teachers' performance in teaching at the educational institution where they work.

Therefore, to determine the influence of compensation on teacher performance in an educational institution, the researchers here conducted a study using the Systematic Literature Review (SLR) method. They selected 15 articles that examine the impact of compensation on teacher performance, gathering information from articles published between 2020 and 2025.

RESEARCH METHOD

This article is compiled using the Systematic Literature Review (SLR) method, which in Indonesian means "tinjauan pustaka sistematis," a literature review method that identifies, examines, evaluates, and interprets all existing research [1]. With this method, researchers conduct a review and identify journals in a structured manner, following the established steps at each stage. To complete this research, the researcher collected journal articles from Google Scholar, Rabbit, SINTA, and Scopus. The keywords being searched are Compensation and Teacher Performance. The articles collected are only those published within the period of 2020-2025. The framework of thought conducted in this research is the initial idea that human resources or teachers here are the main components in the world of education, which are required to be able to face the ever-evolving challenges of the times. Each institution has its own way of conducting objective performance evaluations for its employees or educators. One way is to conduct supervision, training, and workshops that will ultimately affect the provision of allowances or compensation that will be received.

A. Type of Research

This research uses a literature review approach on 15 articles taken from the period 2020-2025 that examine the influence of compensation on teacher performance.

B. Procedure

This researcher conducted article retrieval from the period of 2020-2025 by selecting articles from Google Scholar. The articles examined pertain to the influence of teacher or employee compensation on performance.

RESULTS AND DISCUSSION

Table 1. Research results related to the influence of compensation on performance.

Researchers and Year	Journal	Title	Research Results
Raden Soebartika ¹ , Ida Rindaningsih ² , 2023 [2]	MAMEN (Journal of Management)	<i>Systematic Literature Review (SLR): The Implementation of Compensation and Reward Systems on Teacher Performance at SD Muhammadiyah Sidoarjo</i>	Compensation and rewards significantly influence the improvement of teacher and employee performance. When the amount of compensation is deemed relatively insufficient, providing additional incentives

Researchers and Year	Journal	Title	Research Results
Rizki Imran ¹ , Makhdalena ² , Daviq Chairilisyah ³ , 2021 [3]	JUMPED (Journal of Educational Management)	<i>Effects of Motivation and Compensation on Teacher Performance at SMP Negeri in Kecamatan Enok, Indragiri Hilir</i>	beyond monthly compensation and non- material rewards tends to enhance performance. The study concludes that motivation and compensation positively affect the performance of teachers both simultaneously and partially.
Ria Oktaviani ¹ , Putri Yuliyarningsih ² , Muhammad Fikriawan ³ , Tia Saputri ⁴ , Abdul Kholik ⁵ , 2023 [4]	AL-KAFF: Journal of Social Humanities, Vol. 1, No. 3	<i>Compensation System in Improving Teacher Performance in Islamic Boarding Schools</i>	At Bina At-Taufiq Islamic Boarding School, compensation is not limited to salaries but also includes allowances, incentives, bonuses, and non-financial rewards such as leave, which creates comfort for employees and optimizes performance.
Sarce A.R. Nesimnasi ¹ , 2024 [5]	PGSD Scientific Journal FKIP Universitas Mandiri	<i>The Influence of Compensation Satisfaction on Teacher Performance at SMPN 2 Soe</i>	Satisfaction with compensation significantly affects teacher performance at SMPN 2 Soe.
Siti Zuliani, Tri Suharti, 2023 [6]	IRSYADUNA: Journal of Student Studies	<i>The Influence of Compensation on Teacher Performance at SMP Negeri 1 Jombang</i>	The relationship between compensation variables and teacher performance is positive, indicating that higher compensation leads to increased performance.
Maharani ¹ , Zakaria ² , Muh. Rasmi ³ , 2020 [7]	Adaara, Vol. 10, No. 2, August	<i>The Influence of Compensation on Improving Teacher Performance</i>	Based on product- moment correlation results, with a value of 0.685, the provision of compensation is strongly related to teacher performance.

Researchers and Year	Journal	Title	Research Results
Abdul Rohman ¹ , Ida Rindaningsih ² , Taufik Churrahman ³ , 2023 [1]	Academic Journal Research, 1(1), 27-34	<i>The Influence of Compensation on Teacher Performance: Systematic Literature Review (SLR)</i>	Compensation significantly affects teacher performance. Findings from 10 studies suggest the influence stems from motivation, formal education level, work experience, and discipline factors.
Muhammad Iqbal ¹ , Samsinar ² , Miftahul Aulia ³ , Nurwahida ⁴ , Salfianur ⁵ , 2021 [8]	Islamic Economics and Business, 6(1), 1- 12	<i>The Influence of Compensation on the Performance of Honorary Teachers at SD Negeri 30 Tongke-Tongke, Sinjai</i>	Compensation positively and significantly affects honorary teacher performance, with a contribution of 70.3% based on R Square analysis. Schools and education offices are advised to focus on compensation policies to enhance performance.
Wulandari Ningsih ¹ , Ida Rindaningsih ² , 2024 [9]	PERISAI: Journal of Education and Scientific Research	<i>Systematic Literature Review (SLR): The Effectiveness of Compensation in Improving Work Motivation and Performance in Educational Institutions</i>	Analysis using SLR concludes that compensation is highly effective in enhancing work motivation and performance in educational institutions.
Muhammad Shabibur Rahmat, 2022 [10]	Journal of Education and Teaching, 1(1), 42-55	<i>The Influence of Compensation on Teacher Performance (Case Study at Manbaul Ulum Foundation, Banyuwangi)</i>	Compensation positively and significantly affects teacher performance at the Manbaul Ulum Foundation, contributing 37.39%, with the remainder influenced by other factors.
Rizna Maharani ¹ , Ida Rindaningsih ² , Hidayatulloh ³ , 2023 [11]	PERISAI: Journal of Education and Scientific Research	<i>The Influence of Organizational Culture and Compensation on Teacher Performance</i>	SLR findings show that organizational culture and compensation significantly affect teacher performance, both partially and

Researchers and Year	Journal	Title	Research Results
Asep Suherman, 2021 [12]	Journal of Management and Business Review, Vol. 18, No. 3	<i>The Influence of Competence, Compensation, and Work Discipline on Teacher Performance at Lazuardi Global Islamic School</i>	simultaneously, with stronger culture and greater compensation yielding higher professionalism. Competence and compensation positively and significantly affect teacher performance, while work discipline does not. Collectively, the variables have a significant simultaneous effect.
Hamsal1, Nurman2, Abdul Razak3, 2023 [13]	Management Studies and Entrepreneurship Journal, 4(1), 21-34	<i>The Influence of Motivation and Compensation on Teacher Performance in PAUD in Kecamatan Tambang, Kampar</i>	Motivation positively and significantly affects teacher performance, while the effect of compensation is insignificant. High motivation correlates with increased performance.
Tarisa Anjani Zulfa Faiqotul Afridah Alta Azqia Nadhila1, Siti Maghfirotul Hasana2, Imron Fau3, 2022 [14]	Al-Ibrah, Vol. 7	<i>Teacher Compensation Policies and Their Implications for Teaching Performance</i>	Compensation positively affects employee performance. Higher rewards lead to increased employee enthusiasm.
Chusnul Chotimah, Ida Rindaningsih, 2024 [15]	Academic Journal Research, 2(1)	<i>Systematic Literature Review (SLR) Analysis of the Work Environment on Teacher and Employee Performance</i>	Adequate allowances are essential for maintaining or improving performance, with motivation being a critical factor.

The research data included in this article consists of analysis and summaries documented regarding the influence of Compensation on Teacher Performance. Based on the research results conducted according to the table above, it shows that Compensation and rewards significantly affect the improvement of teacher and

employee performance [2], motivation and compensation affect the performance of junior high school teachers in Enok District, Indragiri Hilir Regency, both simultaneously and partially [3]. At the Bina At-Taufiq Islamic boarding school, compensation is not only given in the form of salary but can also be in other forms such as allowances, incentives, bonuses, or non-financial forms like leave, which can make an employee feel comfortable working in the organization and can demonstrate optimal performance [4].

Compensation satisfaction significantly affects the performance of SMPN 2 Soe teachers [5]. The relationship between the compensation variable and teacher performance is positive, which means that the higher the compensation, the better the teacher's performance [6]. Based on the results of the product moment correlation, a value of 0.685 was obtained, proving that the provision of compensation and the performance of honorary teachers is strong [11]. Compensation significantly affects teacher performance, based on the results of 10 studies obtained by the author, indicating that the influence of compensation on teacher performance can come from factors such as motivation, formal education level, work experience, and work discipline [1], has a positive and significant impact on the performance of honorary teachers at SD Negeri 30 Tongke-Tongke, Sinjai Regency. This was obtained based on the analysis results using SPSS on the coefficients table, where it is known that the t-value for compensation is $4.072 > 2.364$ (t-table) and the probability value is $0.005 < 0.05$. In the model summary table, the R Square is 0.703 or 70.3%. Therefore, the influence of compensation on the performance of honorary teachers at SD Negeri 30 Tongke-Tongke, Sinjai Regency, is 70.3%. It is hoped that both the school and the education office will always focus on compensation, as compensation affects the performance of honorary teachers [8], Based on the analysis of articles conducted by the researchers using the Systematic Literature Review (SLR) method, it can be concluded that the effectiveness of compensation in improving work motivation and work performance in educational institutions is very good [9]. There is a positive and significant effect of the Compensation variable on the performance of teachers at the Yayasan Pondok Pesantren Manbaul Ulum Wringinputih Muncar Banyuwangi for the 2019/2020 academic year, amounting to 37.39%, while the remaining factors are influenced by other factors not discussed in this study [10]. From the research results using the systematic literature review (SLR) method conducted by the researchers, it can be concluded that there is a significant partial effect between organizational culture and teacher performance. Similarly, compensation also has a partial effect on teacher performance. Furthermore, there is a simultaneous significant effect between organizational culture and compensation on teacher performance. Thus, the stronger the organizational culture of an institution and the greater the compensation provided, the more professional the teacher's performance [11].

Meanwhile, in another research study, the results show that, partially, competence and compensation have a positive and significant effect on teacher performance, while work discipline does not significantly affect teacher performance. Furthermore, simultaneously, the variables of competence, competence, and work discipline together

significantly affect teacher performance [12]. Motivation has an impact on the performance of early childhood education teachers in Tambang District, Kampar Regency. This means that the proposed hypothesis has a positive and significant effect. If work motivation is high, then teacher performance increases. The influence of compensation has an impact on the performance of early childhood education teachers in Tambang District, Kampar Regency. This means that the proposed hypothesis is not significant. If the compensation provided is high, then the performance of teachers will increase [13]. From the results of this study, it can be concluded that compensation has a positive effect on employee performance. The higher the reward, the higher the employee's work enthusiasm [14]. The results show that adequate allowances are very important to maintain or improve employee performance and that motivation is very important in this regard [15].

CONCLUSION

Fundamental Finding : The analysis of 15 articles highlights that compensation significantly impacts teacher performance. While there are similarities and differences in the types of compensation provided, all educational institutions aim to motivate educators through these programs, reflecting the importance of compensation as a reward for their contributions. **Implication :** Educational institutions are encouraged to retain and enhance the quality of their human resources. By aligning teacher salaries with their skills and expertise and implementing fair compensation policies, institutions can promote the well-being of educators while fostering a more motivated workforce. **Limitation :** This study is limited to the findings from 15 articles, which may not represent all educational contexts or institutions. Differences in institutional policies and cultural factors could influence the applicability of the conclusions. **Future Research :** Future research could explore the influence of organizational culture and leadership style on teacher performance, offering a broader perspective on factors beyond compensation that impact educators' motivation and effectiveness.

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