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Effects of Workload and Compensation on Employee Performance of SMEs in Cirebon City

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Abstract

This research aims to examine how workload and compensation influence the performance of employees working in coffee shop–based culinary SMEs in Cirebon City. Employee performance is a critical factor for SME sustainability, especially in the post-pandemic era where business competition intensifies. This study fills a gap by focusing on coffee shop SMEs in Cirebon City, a context rarely examined in previous research. Workload includes responsibility, employee awareness of the work they face, concentration, interaction between employees, repetitive and non-repetitive work, while compensation includes salary, bonuses, facilities, health insurance, and leave. This study was executed quantitatively using a survey approach where data were collected via questionnaires administered to 110 employees of coffee shop culinary SMEs in Cirebon City. This study utilized multiple linear regression analysis to investigate the correlation among variables. Multiple linear regression analysis showed that workload has a significant positive effect on employee performance ($\beta = 0.693$, $p < 0.001$), while compensation does not have a significant effect ($\beta = 0.088$, $p = 0.133$). The adjusted R^2 value was 0.613, indicating that workload and compensation jointly explain 61.3% of the variance in employee performance. These findings emphasize the importance of effective workload management, while compensation is not a driving factor in improving performance.

Keywords: *Workload; Compensation; Employee Performance.*

INTRODUCTION

Employee performance is garnering heightened scrutiny, especially due to the intensifying competitive global economy and evolving consumer behaviors post-COVID-19 pandemic. The epidemic has disrupted supply chains and economic stability while also altering consumer behavior to be more selective, adaptive, and geared toward digital services. This scenario necessitates organizations to implement extensive strategic modifications, particularly in human resource management, to sustain productivity and service excellence. Organizations must enhance their responsiveness in managing work processes, task distribution, and communication strategies to adapt to always evolving market needs. In this competitive landscape, employee performance is an essential part that affects an organization's ability to sustain, adapt, and achieve sustainable growth. Employees that operate effectively, innovatively, and collaboratively will significantly enhance operational efficiency and customer satisfaction. Research (Siraj & Hágen, 2023) substantiates that employee performance is vital for augmenting competitiveness and ensuring corporate sustainability in a swiftly evolving business landscape.

The necessity of enhancing employee performance is acutely recognized in Indonesia, especially within the Small and Medium Enterprises (SMEs) sector, which is pivotal in bolstering the national economy through employment and economic growth contributions. In the realm of culinary SMEs in Cirebon City, the issues encountered extend beyond product innovation and evolving consumer tastes to encompass the efficient management of labor. Personnel in this industry frequently must multitask with constrained resources, rendering proportional workload management essential to avert weariness and deterioration in service quality. Moreover, an equitable and contribution-oriented compensation structure is essential for sustaining employee motivation, loyalty, and passion for work. However, no previous study has specifically examined how workload and compensation jointly influence employee performance in coffee shop–based culinary SMEs in Cirebon City. Most existing

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research focuses on large-scale enterprises or manufacturing sectors, leaving a clear empirical gap in the context of small, service-oriented SMEs with limited HR systems. Both criteria are considered to strongly influence labor performance and productivity, which ultimately decide corporate competitiveness. This small empirical study reveals a research gap that must be addressed to attain a greater awareness of the elements affecting employee performance in SME sector.

Data (Bank Indonesia dan Lembaga Pengembangan Perbankan Indonesia, 2015) shows that Indonesia's economy depends on small and medium enterprises (SMEs), which contribute about 97% of the workforce and more than 60% of GDP, consequently establishing this industry as a fundamental foundation of economic growth and stability. Regionally, Cirebon City, as an economic center in West Java, shows the dynamics of SME development that fluctuates. These oscillations indicate the susceptibility of SMEs to external environmental forces while also showcasing their capacity for recovery and robust flexibility when bolstered by effective management practices, especially in HR. Enhancing human resource management is essential, as the sustainability of SMEs is significantly influenced by the productivity and performance of their employees. Data from the Cirebon City Cooperative and SME Office for the 2020-2024 period recorded a significant development in the number of SME units, as follows:

Table 1. Number of Culinary SME Units in Cirebon City for the 2020-2024 Period

Sub-district	Year				
	2020	2021	2022	2023	2024
Kejaksan	137	467	229	259	309
Kesambi	165	138	348	230	307
Pekalipan	95	154	229	197	213
Lemah Wungkuk	150	174	204	225	243
Harjamukti	260	305	462	405	472
Total	807	1238	1472	1109	1544

Source: Office of Cooperatives and SMEs in Cirebon City (2024)

Small and medium enterprises in Cirebon City encounter an issue of inconsistent employee performance, attributable to excessive workloads and discontent with the established compensation structure. Small and medium-sized enterprises typically possess a constrained staff, necessitating that individual employees manage various activities concurrently, encompassing production, service, and administration. This condition amplifies the intensity and complexity of the workload, thereby inducing emotional weariness. The effects are evident in diminished concentration, productivity, and the caliber of client service. Conversely, compensation deemed insufficient or inequitable relative to the workload and duties undertaken may result in unhappiness, diminish motivation, and undermine employee commitment to the organization. Research by (Dwiyanti, Nadila, & Susijawati, 2024) states that interaction between task responsibilities and reward systems can determine the final result of productivity. The results of (Yanti, Roswaty, & Emilda, 2023) show an effect of workload and salary on job performance. These data indicate that both internal job variables and financial elements contribute to enhancing performance. In line with that, research by (Ramadhan & Sunarsi, 2024) emphasize that workload management is a key factor in determining employee productivity, making effective workload management crucial within organizations. Futhermore, research (Meyok, Fanggidae, Riwu, & Nursiani, 2024) also state that proper workload management and fair compensation are factors that contribute to increased employee productivity. These findings reinforce the premise that proportional workload management and equitable compensation are critical elements in sustaining stability and enhancing employee performance within the SME sector.

The problem of SMEs is increasingly complicated due to limited financial and managerial resources. Many small and medium enterprises lack a standardized human resource management system, resulting in workload determination, benefit allocation, and performance evaluation processes often being conducted intuitively based on experience or habit, rather than through systematic planning and analytical foundations. Such management techniques are often reactive and short-term, rendering them less capable of anticipating the dynamics of changes in an increasingly competitive economic landscape. This circumstance may result in a discrepancy between employee expectations of satisfaction and the company's capacity to provide them, thereby leading to job discontent. The lack of a defined organizational structure and standard operating procedures may result in an inconsistent distribution of

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responsibilities, an inequitable burden, and a compensation system viewed as unjust, ultimately leading to a deterioration in the performance of certain personnel.

This study is essential for elucidating the effects of workload and remuneration management on employee performance inside SMEs. This study examines both the statistical correlations among variables and the practical realities of HR management in SMEs businesses, which typically possess constrained capital, uncomplicated organizational frameworks, and more adaptable work systems compared to larger corporations. This study seeks to improve managing employee literature by elucidating the dynamics of HR management in SMEs, which are frequently overlooked by formal management models. Research by (Mangkuluhur & Oktavianti, 2025) also confirm that workload management and financial factors play a critical role in sustaining employee performance. The novelty of this study lies in its specific focus on coffee shop–based culinary SMEs in Cirebon City, a context rarely explored in prior research. Unlike previous studies that largely examine large-scale firms, this research provides empirical evidence from SMEs with limited HR systems. This study's conclusions are anticipated to yield both theoretical contributions and practical consequences. The findings can operate as a benchmark for corporate stakeholders in formulating more equitable workload distribution strategies and more just and transparent compensation systems aligned with firm capabilities. Moreover, the results of this study can establish a basis to regional policymakers to establish programs aimed at enhancing and fortifying the managerial capacity of SMEs, especially in human resource management. By implementing a more focused strategy, it is anticipated that staff performance will enhance persistently, hence increasing productivity, company stability, and overall competitiveness of SMEs.

The attainment of organisational objectives is largely ascertained by the level of performance shown by employees. According to (Lukito et al., 2025) employee performance is observable through performance comparisons with coworkers for satisfaction with the work results achieved. Employee performance can also indicate the accomplishment belonging to an employee's work responsibilities, reflected in the quality and number of tasks completed in accordance with the assigned tasks. Employee performance is not only the responsibility of individuals but also requires support from the organisation through effective human resource management policies.

Employee performance is intended to measure the results of work achieved by an employee within executing the responsibilities in conformity with the obligations and standards set by the organization (Silalahi, Edward Efendi Nurmayanti, 2023). This performance is influenced by the capability of each employee to complete tasks, attain objectives, and facilitate the attainment of corporate objectives through innovative and productive work behavior (Babu, Prasad, & Prasad, 2024). In addition, employee performance also shows the degree to which employees can meet job demands, execute assignments in a timely manner, and display work behavior that supports the achievement of organizational goals (Dagnew Gebrehiwot & Elantheraiyan, 2023). Employee performance is a crucial determinant for organizational achievement because businesses need employees who can complete tasks effectively. This study adopts the employee performance indicators proposed by (Puspita & Widodo, 2020), namely timeliness, skills, target achievement, time at work, craft, independence, cohesiveness, and work relationships. These indicators align with the classical framework established by Mangkunegara (2017).

Workload is the number of working hours required by an employee to complete several tasks within a set period of time placed on an individual, encompassing the volume of work, the intricacy of tasks, and the time constraints associated with their execution. In practice, workload encompasses not just the quantity of work but also the complexity, responsibility, and associated risk of the assignment. A study (Rafiee et al., 2024) signifies workload is an individual's subjective perception of the demands required to complete a task. Research (Syach & Purnama, 2023) at PT Arsa Indonesia discovered that structured task demands can promote enhanced work outcomes. Two employees with an identical quantity of tasks may experience varying perceptions of workload, influenced by their competencies, experience, and psychological condition. This perspective is vital since it will affect motivation, stress levels, and the quality of work generated. Effective workload management must consider both objective and subjective aspects to support optimal performance. A disparity between job expectations and an individual's perceived capabilities can lead to diminished performance, as employees may find it challenging to manage excessive workloads or inadequate resources, resulting in weariness, decreased concentration, and eventually reduced productivity (Graf, Müller, Ellwart, & Antoni, 2025).

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Research (Mangkuluhur & Oktavianti, 2025) concluded that workload management is a key factor in achieving organizational performance. An optimal workload will provide a level of work for employees to be productive without causing accumulated fatigue (Friedel, Davidson, & Fischer, 2025). An efficient workload must be structured to achieve a dynamic equilibrium between task demands and the physiological and psychological needs of employees. By achieving this equilibrium, firms may guarantee that employees accomplish their tasks efficiently without succumbing to undue weariness or work-related stress that adversely affects their performance and well-being. This study adopts the workload indicators proposed by (Ismartaya, Kartini, & Rahmanissa, 2024), namely the standard of body reachability as set by the organization, the ability to reach moving objects, the ability of the body to move certain loads, responsibility, employee vigilance for the workers at hand, concentration owned by employees, employee interaction, work done repeatedly, and work done non-repetitively. These indicators align with the classical framework established by Koesomowidjodjo (2017).

Some theories and previous research show that effective workload management plays a role in improving employee performance (Widianti & Herlina, 2023). Research (Yanti et al., 2023) also shows that to achieve organizational productivity, it is necessary to develop an efficient and structured workload management system. Therefore, the hypotheses stated in this study are:

H_1: The lower the workload received by employees, the higher the employee performance.

Compensation encompasses benefits that a company provides to its employees in exchange for their labor. The effectiveness of compensation depends on the amount of material value and the perceived fairness of employees. Compensation is regarded as both an organizational duty and a strategic instrument for attracting, maintaining, and motivating individuals to achieve optimal performance. According to (Douthit, Majerczyk, Shi, & Thomas, 2025), it was found that perceptions of compensation injustice can lead to decreased performance. As evidenced in research (Apriyadi, Seran, & Sastrawan, 2023) providing appropriate compensation can affect employee performance. Fair and appropriate compensation not only serves as a means of payment but also as a driver of motivation and performance.

Compensation is intended to reward employees for their contributions to work (Guo, Cai, Yang, & Zhou, 2025). Compensation transcends just money remuneration; it embodies an organizational acknowledgment of the time, effort, expertise, and commitment people have invested. An effectively structured remuneration system can enhance the reciprocal relationship between employees and the organization, fostering mutual respect and sustained trust. When employees feel underpaid, they might perform in their self-interest at the cost of company principles (Xu, Ji, Li, & Borah, 2024). This syndrome may lead to behaviors including less work excitement, lowered involvement, and heightened inclinations to seek other employment. Inequity in the compensation system can erode employee allegiance to the organization (Alfian & Guswinta, 2023). If the feeling of injustice endures, its repercussions will extend beyond the individual, potentially influencing the work environment and overall team productivity. Consequently, the establishment of an equitable, transparent, and performance-oriented compensation structure is critical to encouraging positive work conduct and enhancing employee allegiance to the firm. Proportional compensation based on contributions and responsibilities will enhance motivation, elevate job satisfaction, and reinforce organizational commitment. This study utilises the compensation indicators delineated by (Ariani & Widodo, 2020), namely salary, bonus, facilities, health insurance, and leave. These indicators align with the classical framework established by Hasibuan (2017).

Some theories and previous research show that good workload management plays a role in improving their performance (Syach & Purnama, 2023). Research (Apriyadi et al., 2023) also shows that to achieve organizational productivity, it is necessary to improve the compensation system that is considered fair. Therefore, the hypotheses stated in this study are:

H_2: The higher the compensation provided, the higher the employee performance.

METHODOLOGY

This study utilizes a quantitative methodology focused on associative problem investigation. Associative problem formulation is a research inquiry that examines the correlation among two or more variables (Sugiyono, 2019). Data processing in this study used SPSS version 27 application. This study employs two independent variables: workload, assessed through nine indicators, and compensation,

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evaluated through five indicators. There exists a singular dependent variable, specifically performance, quantified by eight indicators. This study employed a Likert scale to measure how able the subject was to express agreement or disagreement with a statement using a five-point scale (Sekaran & Bougie, 2016). Answer (l) is interpreted as entirely disagree, (2) disagree, (3) predominantly agree, (4) agree, (5) fully agree. Each indicator was measured using 2 questionnaire items, resulting in a total of 22 items.

Populace will be conducted at SME coffee shops in Cirebon City. The subject of this research pertains to employees engaged in SME coffee shops in Cirebon City. This study applies a non-probability purposive sampling technique; it is a method of taking participants according to specified standards for filling out questionnaires. The criteria in question are employees who work in culinary SMEs coffee shops in Cirebon City. Determination of the quantity of samples was carried out using the formula (Hair, Black, Babin, & Anderson, 2019). Hair's formula was chosen because the total research population was uncertain. According to (Hair et al., 2019) a good sample can range between 100 and 200 people who answer and can be adjusted to the number of indicators used in the questionnaire, based on the assumption that the number of indicators must be multiplied by 5 to 10. This study uses 22 indicators, with the application of Hair's formula: 5 x 22 indicators = 110 samples.

In this study, numerous analyses of statistics were utilised to ensure the validity, reliability, and correlation among the variables studied. Validity testing was employed to assess the extent to which the study instrument accurately measures the target idea. An item is deemed genuine if the computed r-value surpasses the r-table value of 0.1874 at df = 108 and $\alpha = 0.05$. Reliability testing evaluates the instrument's consistency, and a variable is deemed reliable if Cronbach's alpha exceeds 0.70. In addition, classic assumption tests such as normality test and multicollinearity test are used to ensure the data meet the requirements of regression analysis. The normality test assesses whether the distribution of data conforms to the norm, while the multicollinearity test is employed to identify a robust correlation among the independent variables. Finally, the use of multiple linear regression is utilized to find the impact of independent factors on the dependent variable, thereby facilitating conclusions regarding the relationship among workload, compensation, and employee performance.

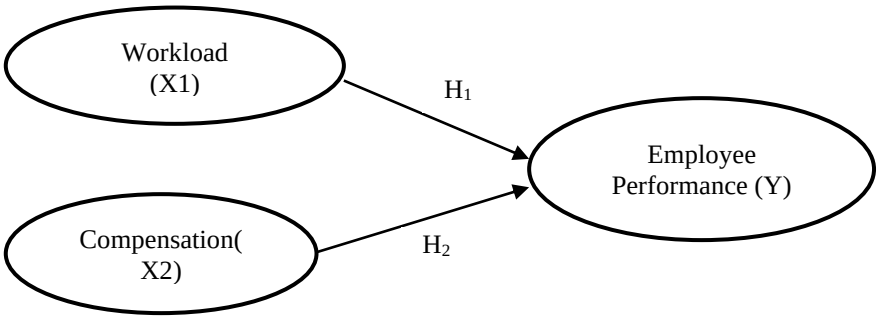

Figure 1. Research Design

RESULTS and DISCUSSION

Results

This study classifies according to several attributes, including gender, age, education, and job level. A classification of these characteristics is presented to understand the correlation between respondent profiles and study factors.

Table 2. Characteristics of Respondents

Characteristics	Frequency (people)	Percentage (%)
Gender		
Male	40	36,4
Female	70	63,6
Age		
< 20 years	15	13,6
20 – 25 years	90	81,8
26 – 30 years	2	1,8
> 30 years	3	2,7
Education		
SMP	-	-

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Characteristics	Frequency (people)	Percentage (%)
SMA/SMK	84	76,4
Diploma	6	5,5
Bachelor	20	18,2
Job		
Barista	61	55,5
Waiter/Waitress	30	27,3
Kitchen	7	6,4
Supervisor	12	10,9

Source: Data processed, 2026

According to Table 2, the preponderance of female individuals is 70 respondents, or 63.6%. Viewed from the age, the majority of responders were identified 20-25 age bracket or 81.8%. Regarding education, the highest percentage of respondents were high/vocational school graduates or 76.4%. Meanwhile, when viewed from the position, the majority of respondents have barista positions or 55.5%. Results of validity test are shown in Table 3:

Table 3. Validity Test Results

Statement	Workload	Compensation	Employee Performance	r Table
1	0,541	0,820	0,589	0,1874
2	0,559	0,858	0,492	0,1874
3	0,552	0,782	0,512	0,1874
4	0,593	0,738	0,506	0,1874
5	0,361	0,777	0,545	0,1874
6	0,517	0,711	0,683	0,1874
7	0,471	0,771	0,587	0,1874
8	0,451	0,790	0,561	0,1874
9	0,425	0,741	0,664	0,1874
10	0,349	0,672	0,456	0,1874
11	0,559		0,540	0,1874
12	0,612		0,677	0,1874
13	0,583		0,542	0,1874
14	0,469		0,501	0,1874
15	0,417		0,516	0,1874
16	0,567			0,1874
17	0,517			0,1874
18	0,487			0,1874

Source: Data processed, 2026

The validity test of the research instrument on culinary SME employees in Cirebon City obtained a critical value of r with degrees of freedom = n - 2 = 108 and a significance tolerance = 0.05. The Crucial value (table r) from the product moment correlation coefficient table is 0.1874. Validity test results demonstrate each variable has an r value exceeding the r table, thereby affirming their validity. Meanwhile, reliability test results for workload, compensation, and employee performance variables are laid out in Table 4 below:

Table 4. Reliability Test Results

Variable	Cronbach's Alpha
Workload	0,825
Compensation	0,922
Employee Performance	0,853

Source: Data processed, 2026

According to Table 4, the reliability test demonstrates workload (Xl) Cronbach's Alpha value of 0.825, compensation (X2) of 0.922, and employee performance (Y) of 0.853. With a cronbach's alpha value that exceeds 0.70, all instruments are deemed reliable and able to be trusted as measuring tools (Machali, 2021). In addition, classical assumption testing, which includes normality and multicollinearity testing, is presented in Table 5 below:

Table 5. Multicollinearity and Normality Test Results

Variable	Tolerance	VIF
Workload	0,767	1,305
Compensation	0,767	1,305

Source: Data processed, 2026

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Multicollinearity test is accomplished by examining the Tolerance and Variance Inflation Factor (VIF) results. If the VIF value is < 10 and the tolerance exceeds 0.1, then the regression model is free from multicollinearity. Based on Table 6, the workload and compensation variables have a tolerance value 0.767 > 0.1 and VIF value 1.305 < 10. Consequently, this research data exhibits no evidence of multicollinearity. Meanwhile, normality test indicates a statistic of the monte carlo sig. (2-tailed) value of 0.052 > 0.05. According to these findings, the data from this study meets the normality criteria.

Meanwhile, the multiple regression results derived from the calculation are presented in Table 6 below:

Table 6 Multiple Linear Regression Test Results

Model	Unstandardized Coefficients B	Standardized Coefficients Std. Eror	t Beta	Sig.
(Constant)	12,477	4,417	2,825	0,006
1. Workload	0,693	0,064	10,770	0,000
2. Compensation	0,088	0,058	1,515	0,133

Adjusted R Square = 0.613
F Statistics = 87.441 and sig 0.001
Source: Data processed, 2026

According the outcomes given in Table 7, Adjusted R Square value is 0.613 (61.3%), that proves independent factors, specifically workload and compensation, account for 61.3% of the variability in employee performance. Factors beyond the scope of this study impact the remaining 38.7% of employees. External influences such as the workplace environment and leadership needs are considered for further research.

Based on the regression model equation obtained from table 7, it can be written as follows: Y = 12.477 + 0.693Xl + 0.088X2. The calculated F value in table 7 is 87.441 > F table 3.081, or sig value. 0.001 < 0.05, it will be inferred that the regression model is quite effective at explaining variations performance in this study.

Discussion

Initial hypothesis tests indicate that the significance value is 0.000 > 0.05. This denotes that workload variable (X1) significantly effect employee performance (Y). Workload variable positively affect employee performance, exhibiting an influence level of 0.693, meaning that a raised employee workload correlates with enhanced performance. This study reveals that increased workload occurred around significant days such as religious holidays and the New Year, which are peak seasons for coffee shop-based SMEs in Cirebon City. During this period, employees encountered increased task demands and got supplementary incentives and bonuses. The supplementary incentives cultivated a sense of appreciation among employees, motivating them to enhance their efforts and boost production despite a substantial workload. Employees in small and medium-sized firm coffee shops generally demonstrate a flexible and cooperative work culture. During peak workload periods, individuals support each other, engage in enhanced communication, and foster a sense of camaraderie. This conducive environment converts a substantial task into a shared challenge rather than a burden, thereby improving their performance. This outcome aligns with prior research conducted by (Widianti & Herlina, 2023) and (Yanti et al., 2023), which also indicated that workload can favourably affect performance under specific settings, particularly when employees are acknowledged or rewarded. Therefore, employee workload needs to be reviewed and reevaluated to create a harmonious, conducive, and efficient work environment. High workloads can cause physical and psychological fatigue, thereby potentially reducing employee performance. Thus, the hypothesis that lower employee workload leads to higher employee performance is accepted.

Second hypothesis test in Table 7 indicates an effect size of 0.088 with significance value 0.133 > 0.05, proving compensation variable (X2) does not exert a significant effect on the employee performance variable (Y). The majority of participants in this study were young (81.8% aged 20–25 years), possessed a high school education (76.4%), and were employed as baristas (55.5%). For this group, financial compensation is not the primary motivation for their job retention. They prioritise an enjoyable work environment, camaraderie with colleagues, and creative autonomy over substantial salaries or bonuses. Additionally, economic conditions in 2025 in Cirebon City, characterised by

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restricted employment prospects and intense rivalry for entry-level roles, suggest that employees may retain their positions despite inadequate remuneration. They opt to remain and perform well despite the challenges of securing alternative employment. In coffee shop SMEs, employees frequently obtain non-financial advantages like complimentary beverages, flexible working hours, a casual dress code, and a congenial environment. These elements can offset inadequate financial compensation and sustain employee motivation for optimal performance. This finding corresponds with (Syach & Purnama, 2023) who similarly discovered that compensation does not significantly influence employee performance in specific SME environments. Thus, the hypothesis that higher compensation leads to higher employee performance is rejected.

In accordance with the outcomes of multiple linear regression analysis, the workload has an impact compared to the compensation variable. In the context of this research, organizations can pay attention to the workload factor as an important aspect in improving work performance, due to the demonstrated substantial impact of workload, while compensation does not show a substantial impact.

Effect of Workload on Employee Performance

To augment the ability to handle workload properly for SMEs, companies need to develop strategies that cover 6 main aspects, namely responsibility, employee alertness to the workers at hand, concentration, interaction between employees, repetitive and non-repetitive work. First, responsibility can be improved through a clear division of tasks and according to employee abilities. This clarity makes employees work more purposefully so that the workload can be managed in a balanced and optimal manner. Second, employee alertness to work can be improved through a good understanding of the risks and demands of work. Such awareness makes employees more prepared and thorough so that work errors are reduced and workload is more controllable. Third, concentration can be improved through setting up a conducive work environment and managing work time effectively so that employees can avoid distractions while working. Favorable working conditions tend to make employees focus fully on their work. Fourth, interaction between employees can be improved through open communication and effective teamwork. This makes work coordination smoother and helps employees support each other in managing workloads. Fifth, repetitive work can be improved through the implementation of clear SOPs to make the work process more structured and efficient. This procedure employees to complete routine tasks consistently, reducing fatigue and workload. Lastly, non-recurring work can be improved by augmenting employee proficiency, equipping them with broader and more versatile skills to execute a range of responsibilities. Moreover, the use of work flexibility can assist employees in adapting to varied job needs, thus sustaining effective and efficient performance. By implementing this strategy, the company not only optimizes and improves workload management but also produces a conducive work environment.

Effect of Compensation on Employee Performance

To improve compensation properly for SMEs, companies need to develop a strategy that includes five main aspects, namely salary, bonus, facilities, health insurance, and leave. First, salaries can be increased through fair wage adjustments according to employee performance and responsibilities. This makes employees feel valued so that their motivation and performance increase. Second, bonuses can be increased through the provision of incentives linked to the achievement of performance and work targets. Providing performance-based bonuses can motivate people to perform more efficiently so that productivity increases. Third, facilities can be enhanced by the availability of sufficient work facilities and infrastructure that cater to employee requirements. Good facilities make employees work more comfortably so that performance and productivity can increase. Fourth, health insurance can be improved through the provision of comprehensive health protection for employees. This protection makes employees feel safe and calm so that focus and work performance can increase. Finally, leave can be improved through the provision of fair and flexible leave rights in accordance with company regulations. The leave policy helps employees maintain a work-life balance so that performance remains optimal. By implementing these strategies, companies not only improve compensation management but also have the ability to generate a sense of justice and employee loyalty to the sustainability of company performance.

CONCLUSION

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The findings indicate that workload significantly impacts employee performance. Workload, which includes responsibility, employee alertness to the workers at hand, concentration, interaction between employees, repetitive and non-repetitive work, serves a significant function in increasing work productivity and effectiveness. Good workload management can enhance the quality and volume of job outcomes, which have a beneficial effect on employee performance. Therefore, companies need to concentrate on increasing and managing employee workload through proportional division of tasks, creating a conducive work environment, and increasing employee coordination so that performance can be improved optimally.

Compensation is proven to have no influence on employee performance even though it includes salary, bonuses, facilities, health insurance, and leave. This finding suggests that factors other than the amount of compensation received have a greater influence on improving employee performance. Therefore, companies should prioritise non-financial recognition over solely relying on financial compensation. Focusing on these factors is expected to enhance workforce efficacy more effectively and sustainably.

Given these findings, several limitations need to be acknowledged. This study is confined to 110 employees from coffee shop-based culinary SMEs in Cirebon City, hence the findings may not be applicable to other SME sectors or regions. Furthermore, data collection coincided with religious holidays and the new year, potentially impacting burden perception and performance momentarily. Future study could broaden the sample to encompass diverse categories of SMEs and incorporate moderating or mediating variables. A longitudinal or mixed-methods approach may yield more profound insights on the impact of workload and compensation on employee performance over time.

Awards

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