Performance, Competence, Job Satisfaction, and Financial Compensation of Cosmetics Salesforce during COVID-19 Pandemic

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**ABSTRACT**

The COVID-19 pandemic caused a decrease in sales turnover for the cosmetic industry, causing salesforce performance to be unsatisfactory. The study developed a model to improve the performance of the cosmetics industry in Banten Province of Indonesia. This quantitative study employed SmartPLS 3.3.2 version to analyze the data obtained from 120 respondents through observations and questionnaire. The results of the empirical model with SEM-PLS revealed that competence has a significant positive effect on financial compensation, competence has a significant positive effect on salesforce job satisfaction, salesforce job satisfaction has a significant positive effect on salesforce performance, financial compensation has no effect on salesforce performance, and salesforce performance has no effect on financial compensation. It is recommended that the cosmetic industry recalculate the amount of compensation appropriately according to measurable performance to yield an impact on salesforce performance. This study highlights the importance of competence-based compensation for fostering self-improvement of employee.

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**Introduction**

The COVID-19 virus outbreak has impacted the global economy, causing trade disruptions, travel, and supply chain networks, resulting in an economic crisis (Hartmann...
et al., 2022; Rakhman & Rais, 2020). The COVID-19 virus is a serious acute respiratory syndrome that affects the respiratory system through airborne transmission and causes severe lung infections and even death. Since it was first discovered in, Wuhan, China, in late December 2019, the pandemic had spread to nearly all countries by the end of February 2020 (Ahsan et al., 2022).

After the WHO declared that the coronavirus outbreak in Indonesia was a Pandemic, the Indonesian government appealed to the population to remain at home to avoid the spread of the disease. The implications of this decision matter for entrepreneurs in the retail sector. One of the most noticeable consequences is the dramatic decrease in mall visitors by 40-50%. In addition, people’s use is now limited to the bare necessities, medications, and cleaning supplies. Other products, such as clothing, electronics, and cosmetics, are currently underserved. The decline in revenue for this industry coincided with lower wages for some of its customers. People have become more conservative with their money as a result of the pandemic’s uncertainty (Dash & Maitra, 2022). This national tragedy has resulted in many casualties and damages from both a health and economic standpoint; on the health side, many Indonesians have been poisoned and have even died; on the financial side, many companies/industries have lost revenue, and have had to make terminations, and have gone out of business because production quantities are declining day by day, making it impossible to pay employee salaries.

The economic impact of COVID-19 is also felt by the cosmetics industry, particularly MSMEs, due to a decrease in demand from people who are more selective in allocating their money to basic needs first. If this situation continues and worsens, it will result in a worsening competitive disadvantage in post-pandemic comparisons (Varma et al., 2022). The cosmetics industry faced many challenges during the COVID-19 period, including difficulty sourcing raw materials for goods because many transportation centers were closed, the packaging and distribution process became the primary challenge, not to mention changing business strategies to cope with the corona outbreak, one of which was by changing work patterns and the business processes they used (Tirkolaee et al., 2022; Zhou et al., 2022). Several members of the cosmetic manufacturing company have changed the working hours. The working hours are divided into two shifts per day in order to prevent the spread of the COVID-19 virus. The overall marketing and sales methods have changed. People who purchase goods do so at a supermarket or outlet. Because of the pandemic, consumers are unable to consult with one another and must rely on WhatsApp or video calls for advice. Revenue dropped by 30 to 40% as a result of the large number of customers lost (Rakhman & Rais, 2020; Trejo, 2021).

The average decline in turnover in the cosmetic industry compelled companies to continue to grow in product development in response to the adjustment of people’s needs during the COVID-19 pandemic, not just to ensure the company’s survival and increase people’s purchasing power and salesforce performance. The salesforce and all employees are also expected to adapt, with integrity serving as the primary weapon for the company to continue to exist and grow in order to improve the capacity to succeed and prosper during and after the pandemic (Simms, et al., 2022). The main source of concern is that the COVID-19 Pandemic has had an impact on salesforce turnover and overall effectiveness, as well as the high demand for salesforce competence (Rangarajan et al., 2021; Sharma et al., 2020). The purpose of this study is to determine what factors influence salesforce
performance, including whether competence and financial compensation have an impact on salesforce performance with job satisfaction as an intervening variable in the cosmetics industry in Banten Province Indonesia during the COVID-19 pandemic.

Based on information from the Banten Province’s Cosmetics Industry, the issue that can be identified is employee turnover, which impacts sales turnover, resulting in the COVID-19 Pandemic (Cakranegara & Pramisti, 2021; Widjanarko & Angggoro, 2021). The demand for skilled workers and cutting-edge product technologies is outperforming our organization’s ability to meet it. The purpose of this research was to look into the relationship between competence and financial compensation, competence and job satisfaction, financial compensation and job satisfaction, and job satisfaction and performance in the cosmetics industry in Banten Province during the COVID-19 pandemic.

The average decline in turnover in the cosmetic industry compelled companies to continue to grow in product development in response to the adjustment of people’s needs during the COVID-19 pandemic, not just to ensure the company’s survival and increase people’s purchasing power and salesforce performance (Kolling et al., 2022). All workers are thus expected to adjust to a situation in which integrity is the primary weapon for the organization to continue to exist and develop in order to improve their capacity to succeed and prosper during and after the pandemic. The main issue is that the COVID-19 Pandemic has reduced the effectiveness of the salesforce, as well as reduced turnover and ineffective results. The study’s goal is to find out how various factors influence salesforce performance in the cosmetics industry, such as whether job satisfaction is related to salesforce performance during the COVID-19 pandemic.

Employee competence is crucial for a business. The assessment of whether an organization is improving or deteriorating depends on integrity and dedication to their job (Prasyanto, 2017). Companies with more professional workers will positively affect the company’s growth and success. Success stems from performance, which refers to employee outcomes in the form of tangible proof in comparison to predetermined expectations (Suseno, 2019). The employee’s output indicates that they have fulfilled the criteria as a worker. The version of a salesforce is an individual matter since each salesforce varies in how well they do their job (Holtom et al., 2020; Troisi et al, 2020). In assessing the success of an employee, a manager will see the outcomes of their efforts (Dai & Jerath, 2013). Employee output contributes to the fulfillment of the company’s roles and obligations, both in terms of quality and quantity, in order to achieve the company’s goals. Employee success is influenced by a job well done as well as the quantity and quality of work completed. Performance is measured by a person’s collection of outcomes and how well they perform on the job.

To strengthen the justification for this research, it is important to elaborate the evidence of discrepancies in the findings of the effect of financial compensation on salesforce performance. Ohunakin and Olugbade (2022) and Kim and Jang (2020) prove that compensation has a significant positive effect on employee performance. The confirmation of subsequent research findings supports the arguments (Bilan, 2020; Ren, 2020) emphasizing that compensation will affect employee performance. Competence and compensation relate heavily to job satisfaction. Competence (Bagia & Cipta, 2019; Matthews et al., 2018) and financial compensation (Bakan & Buyukbese, 2013; Salisu et al.,
2015; So et al., 2020) affect employee job satisfaction. High job satisfaction will boost an organization’s productivity, which will boost overall organizational performance (Mabaso & Dlamini, 2017). The salesforce’s initiative affects the stand team’s primary responsibilities, namely network capability and sales performance (Chung et al., 2020).

Data from the Cosmetics Industries in Banten province of Indonesia reveal the issue of employee turnover that impacts sales turnover during the pandemic. The demand for skilled workers is outstripping our organization’s ability to meet it. Considering the relationship among compensation, employee performance, job satisfaction, and competence described by previous academic research, through investigations of these variables are intriguing to study. Hence, this study aims to determine the effect of competence on financial compensation, competence on job satisfaction, financial compensation on job satisfaction, and job satisfaction on performance in the cosmetics industry in Banten Province during the COVID-19 pandemic.

**Hypotheses Development**

**Salesforce Competence and Salesforce Compensation**

Oesterreich et al. (2019) and Prasyanto (2017) define competence as defining what a person should be able to do at their work. The word competence derives from English meaning the level of capabilities, knowledge, and empowerment of an employee competent and can be done accordingly (Kim et al., 2022; Lucia-Palacios et al., 2020). Competence is the willingness of someone to deliver what an organization is looking for (Zhou et al., 2018). Defining competence as the ability to carry out one's duties, or in performing a job, Suseno and Dwiatmajda (2016) take the perspective of the employee's position in performing his job feature. By the definitions above, competence is the ability to complete the company's work, which involves experience, expertise, work attitudes, and skills. Compensation exists to attract qualified workers, retain employees, motivate their success, develop employee commitment, and facilitate increased awareness and skills of employees is why the primary aim of providing compensation is to promote organizational competence. Thus, compensation is also part of human resource creation efforts. Thus, a hypothesis was formulated:

**H**: Salesforce competence has a significant positive effect on financial compensation

**Salesforce Competence, Salesforce Compensation, and Salesforce Job Satisfaction**

Not only competence, compensation also emerges as an important construct in a business. Compensation is the type of remuneration earned by employees for their success, either financially or non-financially. Meutia et al. (2016) and Saputro and Darda (2019) assert that job satisfaction is a person's feeling about their work created by their own efforts and is supported by items from beyond themselves, on work conditions, work outcomes, and work itself. Payments should be based on performance assessments, so that everyone receives the same level of care and treatment based on merit (Marinescu, et al., 2021; Suseno et al., 2019). Similarly, monetary compensation is simply reimbursement made by the employer so that the employee is satisfied (Dilman et al., 2019). Related to salesforce competence, salesforce compensation, and salesforce job satisfaction, two hypotheses were formulated:
Salesforce Job Satisfaction, Salesforce Compensation, and Salesforce Performance

The concept of job satisfaction has always been a concern of management scientists when it relates to compensation and performance. Performance is the capacity of individuals, groups, or organizations to complete tasks (Prasyanto, 2017). It is linked to job satisfaction. Job satisfaction is an employee’s emotional state when someone evaluates the job done as pleasant or unpleasant (Artz et al., 2022; Keating et al., 2022). Employment satisfaction is an emotional thing tied to a person’s attitude about their job and their feelings about taking the job (Luo, 2022; Treen & Yu, 2022). Salesforce job satisfaction and salesforce compensation are described to have a correlation with performance. A study conducted by Yousef (2020) shows that if a balance is maintained between compensation and job satisfaction, salespeople will be psychologically motivated by sales targets. Differently, a study argues that different compensation for managers from family members and non-family members does not improve their performance significantly (Samara et al., 2021) since compensation is not the only factor influencing performance (Rouen, 2020).

H₂: Salesforce competence has a significant positive effect on salesforce job satisfaction.
H₃: Financial compensation has a significant positive effect on the salesforce job satisfaction

Method

This study provides information on the relationship among four variables, i.e. Job Satisfaction (JS), Salesforce Performance (SP), Financial Compensation (FC), and Competence (C), by utilizing a survey and a correlation study. Data collected was analyzed using smart PLS 3.3.2 Software. Each hypothesis was tested for the relationship between variables in two stages: descriptive statistical analysis and inferential testing. Purposive sampling was used in this study. The sample in this study is a subset of the research population, specifically a salesforce in the cosmetic industry in Banten Province Indonesia, and was drawn using a non-probability sampling technique, which does not require equal opportunities for members of the population to be chosen. This study’s sample consists of 120 salesforces in Banten Province who work in 40 cosmetic industries spread across Serang, Tangerang, and Cilegon, some regions of Indonesia.

Observations and data collection through questionnaire were made directly on the object of research by visiting traditional markets such as the Gembong, Cikande, Tambak, Rau, Royal, Kranggot to Anyer markets and also in modern markets such as Ramayana, Carrefour, hypermart, Dan-Dan, Guardian, Mall of Serang, Cilegon Center Mall (CCM), Mayofield, and Edi Toserba. The details are presented in Table 1.

Moreover, the data was processed using Partial least squares regression (PLS) which is a multivariate approach. Comparison of models used in this research project include Outer Models and Inner Models. The external model is used to determine the importance and accuracy of the model. The Inner Model is a causal model used to predict the relationship between latent variables (Tahmasebi & Rocca, 2015). The estimated value was obtained from hypothesis testing. In addition, PLS also helps to measure the relationship...
between each construct indicator. Covariance-based structural equation modeling (CB-SEM) generally tests causality or theory, while PLS is more of a predictive model. Evaluation of this model was carried out on the Outer Model and Inner Model. There are several advantages to using the PLS analysis model such as providing the ability to perform path analysis with latent variables.

Table 1. Research Population and Sample

<table>
<thead>
<tr>
<th>Regency/City (Part of Indonesia)</th>
<th>Number of companies</th>
<th>Population</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serang Regency</td>
<td>16</td>
<td>169</td>
<td>27</td>
</tr>
<tr>
<td>Tangerang Regency</td>
<td>10</td>
<td>271</td>
<td>44</td>
</tr>
<tr>
<td>Cilegon City</td>
<td>14</td>
<td>302</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>742</td>
<td>120</td>
</tr>
</tbody>
</table>

Results

Validity and Reliability

To ensure the validity and reliability of the data, several tests were conducted. Table 2 presents the convergent validity. Results of outer loading value show that all processed SEM PLS indicators are accurate, with all values on each hand having a value greater than 0.7, implying that the loading factor value is latent, with the indicators corresponding to each latent variable.

Table 2. Outer Loading Value

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salesforce Job satisfaction (JS)</td>
<td>JS1 0.827; JS2 0.775; JS3 0.789</td>
</tr>
<tr>
<td>Salesforce Performance (SP)</td>
<td>SP1 0.783; SP2 0.827; SP3 0.790</td>
</tr>
<tr>
<td>Financial Compensation (FC)</td>
<td>FC1 0.851; FC2 0.766; FC3 0.846</td>
</tr>
<tr>
<td>Competence (C)</td>
<td>C1 0.743; C2 0.814; C3 0.778</td>
</tr>
</tbody>
</table>

Moreover, Table 3 demonstrates the result of Average Variance Extracted (AVE). The Average Variance Extraction (AVE) is at least greater than or equal to 0.50 in all variables, which means the latent variable can explain more than half the variance of its indicators in the average.

Table 3. Average Variance Extracted (AVE)

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salesforce Job satisfaction</td>
<td>0.636</td>
</tr>
<tr>
<td>Salesforce Performance</td>
<td>0.640</td>
</tr>
<tr>
<td>Financial Compensation</td>
<td>0.675</td>
</tr>
<tr>
<td>Competence</td>
<td>0.607</td>
</tr>
</tbody>
</table>

Furthermore, result of discriminant validity presented in Table 4 reveals that each factor has a cross-loading value greater than 0.70. According to Table 4, the result means that the hands of each variable in this study met the predetermined requirements for an acceptable model fit between the dependent variables and the independent variables.
Table 4. Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>Salesforce Job satisfaction</th>
<th>Salesforce Performance</th>
<th>Financial Compensation</th>
<th>Competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>0.168</td>
<td>0.391</td>
<td>0.281</td>
<td>0.743</td>
</tr>
<tr>
<td>C2</td>
<td>0.357</td>
<td>0.445</td>
<td>0.422</td>
<td>0.814</td>
</tr>
<tr>
<td>C3</td>
<td>0.424</td>
<td>0.452</td>
<td>0.493</td>
<td>0.778</td>
</tr>
<tr>
<td>FC1</td>
<td>0.566</td>
<td>0.511</td>
<td>0.851</td>
<td>0.523</td>
</tr>
<tr>
<td>FC2</td>
<td>0.464</td>
<td>0.252</td>
<td>0.766</td>
<td>0.335</td>
</tr>
<tr>
<td>FC3</td>
<td>0.727</td>
<td>0.410</td>
<td>0.846</td>
<td>0.444</td>
</tr>
<tr>
<td>SP1</td>
<td>0.827</td>
<td>0.416</td>
<td>0.696</td>
<td>0.375</td>
</tr>
<tr>
<td>SP2</td>
<td>0.775</td>
<td>0.393</td>
<td>0.517</td>
<td>0.315</td>
</tr>
<tr>
<td>SP3</td>
<td>0.789</td>
<td>0.466</td>
<td>0.507</td>
<td>0.361</td>
</tr>
<tr>
<td>JS1</td>
<td>0.467</td>
<td>0.783</td>
<td>0.420</td>
<td>0.314</td>
</tr>
<tr>
<td>JS2</td>
<td>0.392</td>
<td>0.827</td>
<td>0.355</td>
<td>0.541</td>
</tr>
<tr>
<td>JS3</td>
<td>0.409</td>
<td>0.790</td>
<td>0.401</td>
<td>0.501</td>
</tr>
</tbody>
</table>

In terms of reliability, the result of analysis is described in Table 5. In table 5, the Composite Reliability is greater than 0.70, indicating that the fit indicator's accuracy in the model is good and can represent the latent variables that are intended.

Table 5. Cronbach’s Alpha and Composite Reliability

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salesforce Job satisfaction</td>
<td>0.715</td>
<td>0.840</td>
</tr>
<tr>
<td>Salesforce Performance</td>
<td>0.720</td>
<td>0.842</td>
</tr>
<tr>
<td>Financial Compensation</td>
<td>0.763</td>
<td>0.862</td>
</tr>
<tr>
<td>Competence</td>
<td>0.694</td>
<td>0.822</td>
</tr>
</tbody>
</table>

In addition to the composite reliability, the R-square value was also examined. Job satisfaction shows a value of 0.531, which means that salesforce job satisfaction is 53.1% of the magnitude of salesforce performance and salesforce competence. Job satisfaction is a characteristic of employee performance on the one hand, and financial compensation on the other. Other variables which are not examined in this experiment explain 46.9% of these factors. The salesforce performance is 0.307 times work satisfaction and compensation, which in this case is 30.7%. So, the level of salesforce performance can be clarified by the level of job satisfaction and the level of financial compensation of 30.7%. However, 69.3% is clarified by factors other than the understudied component. Financial compensation shows a value of 0.290, which means that the effect of job satisfaction and salesforce performance on financial compensation is 29% of the salesforce. Thus, financial compensation explains 29% of job satisfaction and salesforce performance explains 70% of job satisfaction. In contrast, 71% is considered to be negligible when measured separately.

Hypotheses Testing Results

The results of hypotheses testing in this study are presented in Table 6. The findings identified five critical points about the performance of cosmetic industry salesforce during the COVID-19 pandemic in Banten province, Indonesia. About H1, the coefficient value of
financial compensation is 0.539, which implies that it is both positive and negative. In comparison, the t value is 8.066 which is greater than t table 1.96 (p value 0.00 < 0.05), suggesting a significant positive relationship. Hence, the H1 is accepted. Therefore, salesforce competence has a significant positive effect on financial compensation. With regards to H2, the coefficient is 0.069, and the t statistical value is 0.748, which is less than t table value of 1.96, indicating that this relationship has no effect, and the p-value is 0.455 (> 0.05), denoting that H2 is rejected. It is found that salesforce competence has no significant effect on salesforce job satisfaction. In terms of H3, the path coefficient is positive, meaning that it is a predictive variable. The t statistics is at 11.099, which is more than the t table of 1.96. The p-value (0.000 < 0.05) indicates the relationship is a good predictor. Hence, this study acknowledged that as salesforce compensation increases, it has a direct positive impact on the salesforce job satisfaction. Concerning to H4, the path coefficient is positive (0.369), and the t statistical value is greater than 2.641, indicating that the relationship is significant. For this relationship, the p-value is 0.009 (< 0.05). As a result, there is a significant relationship between salesforce job satisfaction and salesforce performance. Last but not least, as for the H5, the path coefficient is 0.225, which is positive, and the t statistics value is 1.740, which is less than the t table value of 1.96. The p value is 0.082 (> 0.05). Accordingly, the variables have no statistically significant relationship. Therefore, H5 is rejected, meaning that financial compensation has no significant effect on salesforce performance through job satisfaction.

Table 7. Coefficient Value (Original Sample) Standard Error and T-Statistics

<table>
<thead>
<tr>
<th></th>
<th>Sample Originaly (O)</th>
<th>Mean Sample (M)</th>
<th>Standard Deviation (SDV)</th>
<th>t Statistics</th>
<th>p Value</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competence -&gt; Financial Compensation</td>
<td>0.539</td>
<td>0.545</td>
<td>0.067</td>
<td>8.066</td>
<td>0.00</td>
<td>significant</td>
</tr>
<tr>
<td>Competence -&gt;SF J.S.</td>
<td>0.069</td>
<td>0.066</td>
<td>0.093</td>
<td>0.748</td>
<td>0.455</td>
<td>Not significant</td>
</tr>
<tr>
<td>Financial Compensation -&gt; SF J.S.</td>
<td>0.689</td>
<td>0.696</td>
<td>0.062</td>
<td>11.099</td>
<td>0.000</td>
<td>significant</td>
</tr>
<tr>
<td>SF J.S. -&gt; SF Performance</td>
<td>0.369</td>
<td>0.361</td>
<td>0.140</td>
<td>2.641</td>
<td>0.009</td>
<td>significant</td>
</tr>
<tr>
<td>Financial Compensation -&gt; SF Performance</td>
<td>0.225</td>
<td>0.241</td>
<td>0.129</td>
<td>1.740</td>
<td>0.082</td>
<td>Not significant</td>
</tr>
</tbody>
</table>
Discussion

The results of this study indicate that salesforce competence has a significant positive effect on salesforce compensation but shows no effect on salesforce job satisfaction. Financial compensation has a significant positive effect on the salesforce job satisfaction. However, financial compensation has no effect on salesforce performance through job satisfaction. This study discloses that salesforce job satisfaction has a significant positive effect on the salesforce performance.

Dilman et al. (2019) describe that the degree of competence has a direct influence on compensation. Compensation given based on employee competence will result in motivation among employees. Competency-based compensation provides benefits for the employee as they are compensated based on their knowledge and skills rather than career rank. This will encourage an employee to improve their knowledge and skills for compensation.

However, in stark contrast to scholars (Bagia & Cipta, 2019; Matthews et al., 2018; Prasyanto, 2017) who described that competence has a positive effect on job satisfaction, the results of this study show no effect of competence on job satisfaction. This study confirms a previous study conducted by Marinescu, et al., 2021 that competence does not affect job satisfaction. This implies that there are other factors other than competence that affect job satisfaction such as stability of employment, communication with management, communication between employees and other groups, the possibility of promotion, the possibility of development, the content of work, recognition of superiors, good relationship with superiors, independence in decision-making, company culture, safety at work, good relationships with co-workers, and atmosphere at work or as pay and benefits, work environment, top management leadership, and workload (Artz et al., 2022).

This study proves that compensation is essential for job satisfaction. Putri and Widjaja (2016) and Suseno and Dwiatmadja (2019) argue that a higher salary as a compensation factor is correlated with higher job satisfaction. Samara et al. (2021) suggests that compensation is important for job satisfaction. Wicaksono (2019) adds that compensation has a significant positive impact on employee performance, with job satisfaction acting as an interfering factor. Compensation can be a very fundamental reason for employee job satisfaction. It becomes the driving force for an employee to improve their performance. Employee turnover will decrease with good compensation.

This study proves the correlation between job satisfaction and performance. Keating et al. (2022) state that job satisfaction has a positive and significant effect on salesforce performance. Research conducted by Treen and Yu (2022) has shown the positive impact compensation has on employee performance. When an employee is satisfied with his or her job, he or she is motivated to put forth greater effort in the performance of the job. It will improve the organization's performance.

This study also finds that there is no effect between compensation and salesforce performance. Yousef (2020) confirms that financial compensation does not have a significant effect on employees' performance. He argues that increased financial compensation can only affect increasing employee performance if the employees concerned are satisfied with their work. There is disparity and career advancement based on individual achievements, not primordial ties to the company (Samara, 2021). Hence,
this study provides evidence that compensation alone does not work on employee performance without job satisfaction.

This study also provides intriguing evidence that, in the midst of the COVID-19 pandemic, salesperson performance has decreased as a result of various social restrictions. However, even under normal conditions, the potential for performance degradation exists. Attention to compensation and its formula is important since compensation will affect employee performance (Bilan, 2020; Ren, 2020). Thus, Luo (2022) and Yousef (2020) recommend that compensation must be an integrated part of the built merit system. Business owners need a variety of abilities to develop the necessary managerial competencies (Kim et al., 2022). According to a few studies, It is most effective to reward salespeople based on group performance when tasks are complementary. It is also most effective when sales results are negatively associated and salespeople are risk-averse (Lucia-Palacios et al., 2020). A successful compensation system effectively motivates the salesforce, allowing an organization to align its salespeople’s activity (i.e., sales effort) with its goals (Chung et al., 2020). To compete in the same industry, it is necessary to secure excellent human resources and increase qualitative and quantitative productivity through effective member management (Park & Rhee, 2015).

Conclusion

Human resource development within a company will yield fruitful results if the company pays attention to its employees’ needs. If the cosmetic industry wants to increase company profits through salesforce performance, it is important to concentrate on the compensation, competence, and satisfaction of the salesforce. Competence-based compensation will encourage the employee to improve their knowledge and skill for better performance and compensation. Since compensation alone cannot give a positive effect on salesforce performance, the company should ensure that its employee reaches their job satisfaction.

Authors’ Declaration

The authors made substantial contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation, and discussion of results. The authors read and approved the final manuscript.

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