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THE EFFECT OF FINANCIAL AND NON-FINANCIAL COMPENSATION ON PERFORMANCE OF NGIMBANG GENERAL HOSPITAL IN LAMONGAN

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Abstract

This study aims to determine the effect of financial and non-financial compensation on the performance of General Hospital employees. As well as evaluating whether the compensation provided by the company to employees is appropriate or not, and to find out to what extent the employees at work are efficient and effective. In this study located at the Ngimbang Hospital in Lamongan. The population of the data is the employees of the Ngimbang Lamongan General Hospital, and the sample used is 82 employees, consisting of 77 permanent employees and 5 contract employees. The data analysis method used is quantitative analysis using validity test, reliability test, normality test, multiple linear regression analysis (T test, F test, and the coefficient of determination), and the determinant correlation test (R^2). And the results of the study show that financial and non-financial compensation has a significant effect on employee performance
Keywords: Financial Compensation, Compensation Nonfinancial, Employee Performance.

INTRODUCTION

Human resources are the most important assets owned by an organization, while effective management is the key to the success of an organization.

Employees provide good work performance for the advancement of the company, while the company provides appropriate compensation for the work performance that employees have given to the company. Panggabean (2008:76) categorizes compensation into two groups, namely: it can be given in various forms. , both financial and non-financial. There are direct and indirect financial compensation. Direct financial compensation consists of salaries/wages and incentives (commissions and bonuses). while indirect financial compensation can be in the form of various kinds of facilities and allowances. Non-financial compensation consists of work and work environment. Panggabean (2008:76) classifies compensation into two groups, namely: it can be given in various forms, both financial and non-financial.

LITERATURE REVIEW
Definition of compensation

Anthony and govindarjan (2007:249) suggest that: Every organization has a goal. An important role of the management control system is to motivate organizational members to achieve these goals.

Definition of Compensation by:

- Sastrohadiwiryo (2011: 181) argues that "Compensation is a reward for services provided by the company to workers"
- Martoyo (2007:116) understanding of compensation is the overall arrangement of remuneration for employers and employees, both directly and indirectly.
- Hasibuan (2014: 118) namely: "Compensation is all income in the form of money, goods directly or indirectly

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received by employees as compensation for services.

Types of Compensation

Mulyadi (2009:419-420) classifies awards into two groups, namely; "Intrinsic rewards in the form of self-satisfaction obtained by someone who has successfully completed his job well and has achieved certain goals.

Nawawi (2008: 316-317) broadly divides compensation into three types, namely:

1) Direct Compensation
2) Indirect Compensation
3) Intensive

Financial compensation

Financial compensation is all income in the form of money which can be directly or indirectly received by employees in return for services provided to the company. Direct financial compensation consists of salaries, wages and incentive wages.

Non-Financial Compensation

Non-financial compensation is a reward in the form of one's satisfaction. The characteristics of this non-financial compensation include the satisfaction gained from performing meaningful work-related tasks.

Functions and Objectives of Compensation

Hasibuan (2014: 120) suggests that: "Compensation or remuneration programs generally aim at the interests of the company, employees and the government/community. The function of providing compensation according to Samsuddin (2007: 188) is as follows:

1) Efficient allocation of human resources.
2) Use of human resources more efficiently and effectively.
3) Encouraging stability and economic growth
4) The purpose of compensation according to Hasibuan (2014:121-122) is as follows:

1) Cooperation Bond
2) Job Satisfaction
3) Effective Procurement
4) Motivation
5) Employee Stability
6) Government Influence.

Arep and Tanjung (2008: 197) argue that the purpose of making remuneration management (compensation) in the long term consists of 3 parts, namely:

1. Obtaining qualified employees by attracting reliable employees to the organization
2. Increase passion and morale through motivating employees to achieve superior performance
3. The emergence of long life employment (work for life or loyalty arises in working in that place).
4. In simple terms it can be concluded that the provision of compensation should provide satisfaction to employees

Factors That Affects The Give of Compensation

The company's compensation system for its employees is influenced by various factors. These factors according to Hasibuan (2014: 128-129) are as follows:

1. Supply and Demand.
2. Ability and Willingness of the Company.
3. Trade Unions/Employees' Organizations.
4. Employee Work Productivity.
5. Government with laws and Presidential Decrees.
6. Cost of Living / Living Cost.
7. Employee Position.
8. Education and Work Experience.
9. National Economic Conditions.
10. Type and Nature of Work.

Understanding Employee Performance

According to Mangkunegara (2013: 67) "employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him".

a) erformance Assessment and Measurement

Employee performance appraisal is a process of evaluating employee performance which is carried out by company leaders systematically based on the work assigned" (Muagkunegara, 2013: 69).

The objectives of performance appraisal proposed by Sunyoto (2010:1) are as follows:

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1) Increase mutual understanding between employees regarding performance requirements.

2) Record and acknowledge the work of an employee,

3) Provide opportunities for employees to discuss their wishes and aspirations

4) Define or reformulate future goals,

5) Checking implementation and development plans according to training needs,

The benefits of employee performance research itself according to Mulyadi (2009:416) are:

a. Manage the organization's operations effectively and efficiently through maximum employee motivation.

b. Assist in making decisions related to employees, such as promotions and terminations.

c. Identify employee training and development needs and to provide stories for selection criteria and evaluation of employee training programs.

d. Provide feedback to employees on how their superiors rate their performance.

e. Provides a basis for award distribution.

Performance Assessment Elements.

Sastrohadiwiryo (2011:235-236) explains that in general the elements that need to be included in the performance appraisal process are as follows:

1. Loyalty.
2. Work Performance.
3. Responsibility.
4. Obedience.
5. Honesty.
6. Cooperation.
7. Initiative.
8. Leadership.

There are three types of criteria in the assessment of work performance, according to Samsudin (2007:16), namely:

1. Criteria based on traits
   a. Ability (ability).
   b. Loyalty (loyalty).
   c. Honesty (honesty) or transportation.
   d. Creativity (creativity
   e. Ability to lead (leadership).

2. Criteria based on behavior:
   a. Carry out the task (perform ask).
   b. Follow the instructions (obey instructions).
   c. Report problems (reportproblem).
   d. Maintain equipment (maintain equipment).
   e. Maintain administration (maintain records).
   f. Follow the rules (followrules).
   g. Submit suggestions or suggestions (submit suggestions).

3. Criteria based on results:
   a. The results achieved are in accordance with the plan.
   b. Quality of work.
   c. Remaining work.
   d. Repair equipment (equipment repairs)

The Relationship between Financial and Non-Financial Compensation on Employee Performance

Hasibuan (2014:117) argues that: "The amount of remuneration is determined and known beforehand, so that employees definitely know the amount of remuneration/compensation they will receive.

If the compensation received by the employee (financial and non-financial compensation) is greater, the employee's performance will be higher, on the contrary if the compensation received by the employee (financial and non-financial compensation) is lower, the employee's performance is also low
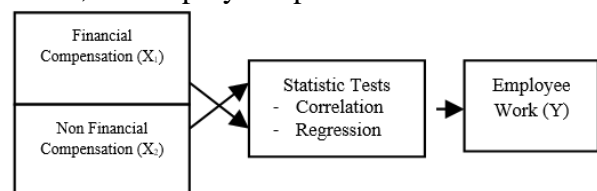
Performance of Permanent Employees and Contract Employees

"Permanent employees are employees who are employed by the company and there is no limit to the length of time they work.

Contract employees are employees who are employed by the company for a certain period of time, the time is limited to a maximum

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of only # of years. The working relationship between the company and permanent employees is stated in a Work Agreement for an Indefinite Time / PKWTT, while the working relationship between the company and contract employees is stated in a Work Agreement for a Certain Time / PKWT.

Iskandar (2008:55) argues that:

"The conceptual framework is a unified whole framework of thought in order to find scientific answers to research problems that explain the variables, the relationship between variables theoretically related to the results of previous research whose truth can be tested empirically" From the description above, a conceptual framework model can be proposed as follows:

Description

The independent variable (X1) is financial compensation and the independent variable (X2) is non-financial compensation which will be tested first with validity and reliability tests, to find out the determination of the item in the questionnaire and the data from the questionnaire results can be trusted/reliable or not.

The second step uses data normality testing, to find out whether the population of the data is normally distributed or not.

The third step is testing the hypothesis with the T test and F test, to determine the relationship and influence between the independent variable and the dependent variable.

The last step is the Coefficient of Determination test, which is the method used to determine the contribution made to determine the contribution given by the X variable (free), which here is financial and non-financial compensation for the Y variable (bound) which here is employee performance.

Research Hypothesis

Experts interpret the meaning of the hypothesis is the assumption of the relationship between two or more variables. On the basis of this definition, it can be interpreted that the hypothesis is the answer is a temporary answer or

conjecture that must be tested for truth (Siregar. 2014:65).

Based on the conceptual framework that has been put forward, the hypotheses of this research are as follows:

H0: It is suspected that financial and non-financial compensation have no partial or simultaneous effect on the performance of Lamongan Hospital employees.

H1: It is suspected that financial and non-financial compensation have a partial effect on the performance of Lamongan Hospital employees.

H2: It is suspected that financial and non-financial compensation have a simultaneous effect on the performance of Lamongan Hospital employees.

H3: It is suspected that financial compensation has a more dominant effect on the performance of Lamongan Hospital employees.

RESEARCH METHODOLOGY

Research Approach

This research is explanatory research (explanation) is research that intends to explain the position of the variables studied and the relationship between one variable and another. Types of research according to the level of explanation can be grouped into three, namely descriptive research, comparative research, and associative/relationship research (Siregar: 2014:14-15).

Research Subject

1. Population

Sugiyono (2014: 80) suggests that: "Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions."

2. Sample

The sample is part of the number and characteristics possessed by the population. (Sugiyono. 2014:81). The sample in this study were all employees with a total of 90 people who worked at the Hospital -Lamongan,

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3. Sampling Technique

Sampling technique is a sampling technique. Sampling technique in this study, using the method of proportionate stratified random sampling with an accuracy of 10%. This proportionate stratified random sampling method is used when the population has members/elements that are not homogeneous and proportionally stratified. (Sugiyono, 2014:82).

Data Types and Sources

1. Data Type

Types of data in this study using:

Primary data is a data source that directly provides data to data collectors (Sugiyono, 2014:137). The technique used for primary data collection was done by means of a questionnaire to hospital respondents about the effect of financial and non-financial compensation on employee performance.

2. Data Source

Sources of data used, according to Yakub (2012:6), namely: Internal data is data obtained from an organization or company itself.

Research Instruments

To obtain data for the preparation of research, the research methodology in data collection according to Siregar (2014: 44) are:

1. Questionnaire (Questionnaire)

The questionnaire is an information gathering technique that allows analysis to study the attitudes, beliefs, behaviors, and characteristics of several key people in the organization, who can be affected by the proposed system or the existing system.

In this research, the research instruments used are literature review, field review, and questionnaires (agket).

In the author of this thesis, for each item of each of the indicators above, both the independent and dependent variables are used as the basis for the creation of a questionnaire in which the answers are given a score as follows:

a. Strongly disagree (STS) = given a score of 1
b. Disagree (TS) = given a score of 2
c. Doubtful (R) = given a score of 3
d. Agree (S) = given a score of 4
e. Strongly agree (SS) = given a score of

B. Data Analysis Method

Analysis of the data used in this study is quantitative analysis in the form of numbers.

1. Data Quality Test

a. Validity test

a. Validity test

Validity test is used to measure whether or not a questionnaire is valid. The questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire.

b. Reliability Test

Reliability test is used to measure a questionnaire which is an indicator of a variable. The questionnaire is said to be reliable if a person's answer to the questionnaire is stable from time to time.

2. Classical Assumption Test

a) Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between independent variables. To detect it by analyzing the tolerance value and Variance Inflation Factor (VIF).

b) Heteroscedasticity Test

How to predict the presence or absence of heteroscedasticity in a model can be seen from the pattern of the scatter plot image of the model. The analysis on the scatter plot image states that there is no heteroscedasticity in the multiple linear regression model if:

1) The data points spread above and below or spread around the number zero (zero).
2) The dots do not collect only above or below.
3) The spread of data points must not form a wavy pattern that widens then narrows and widens again.

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4) The spread of data points should not be patterned.

c) Normality Test

The data normality test is used to determine whether the data population is normally distributed or not. Decision making basis:

A. If the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression model fulfills the assumption of normality.

B. If the data spreads away from the diagonal line and does not follow the direction of the diagonal line, then the regression model does not meet the assumption of normality.

From the graphic above, it can be seen that the points spread around the line and follow the diagonal line, so the residual value is normal.

Multiple Linear Regression Analysis

Quantitative data in this study were analyzed using multiple linear regression method. Multiple regression analysis is used to determine whether the independent variables jointly affect the dependent variable:

$$Y = b_1x_1 + b_2x_2 + b_3x_3 + e$$

Where :

Y = Customer Satisfaction

b1 = Service quality regression coefficient

b2 = price regression coefficient

b3 = place regression coefficient

x1 = service quality

x2 = price

x3 = place

e = confounding variance

Hypothesis testing

The third step is testing the hypothesis by using multiple linear regression linear analysis. This analysis is to predict the value of the dependent variable if the value of the independent variable increases or decreases and to determine the direction of the relationship between the independent variable and the dependent variable whether each independent variable has a partial or simultaneous effect.

In this study, the dependent variable is employee performance, while for the independent variable, the researcher uses financial compensation and non-financial compensation variables. If it is included in the multiple linear regression formulation, it will obtain the multiple linear regression equation according to Priyanto (2010:21) as follows:

$$Y = a + b1\ X1 + b2X2 + e$$

Description:

Y = Employee performance

A = Constant

X1 = Financial compensation

X2 = Non-financial compensation

b1,b2 = regression coefficient

e = Confounding Factor

Test T

To test the hypothesis, the t-test was used for one variable with two directions (two tails). This is used to find out the truth of hypothesized statements or allegations (Siregar, 2014:209).

The decision-making criteria are as follows:

1) If the probability with a sig value <0.05, it can be concluded that an independent variable (X) has a significant effect on the dependent variable (Y). And conversely, if the probability with sig > 0.05, it can be concluded that an independent variable (X) has no significant effect on the dependent variable (Y).

2) If the value of t arithmetic > t table, it can be concluded that an independent variable (X) has a significant effect on the dependent variable (Y). And conversely, if the value of t arithmetic < t table, it can be concluded that an independent variable (X) has no significant effect on the dependent variable (Y).

Test F

According to Priyanto (2010:32), the F test is used to test whether the independent variable simultaneously affects the dependent

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variable. Decision making criteria based on significance:

a) if F sig < a, then the independent variable simultaneously affects the dependent variable. And vice versa, if F sig > a, then the independent variable simultaneously does not affect the dependent variable.

b) If F count > F table, then the independent variable simultaneously affects the dependent variable. And conversely, if F count < F table, then the independent variable simultaneously has no effect on the dependent variable.

Determinant Coefficient

The coefficient of determinant (R2) essentially measures how far the model's ability to explain variations in the dependent variable is. The value of the coefficient of determination is between zero and one. A small value of R2 means that the ability of the independent variables in explaining the variation of the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the dependent variations (Kuncoro, 2001).

RESEARCH RESULT

The population of all employees at the Hospital located at Ngimbang General Hospital in Lamongan is 82 people, both permanent employees and contract employees.

A. Permanent Employees : 77 People

B. Contract Employees : 5 Persons

Table 1. Characteristics of Respondents Based on Gender

Gender	Frequency	Percentage
Male	72	87.80 %
Female	10	12.19 %
Number of Samples	82	100 %

Source : Primary Data Processed

In table 4.1 above, it can be seen the characteristics of respondents from 82 questionnaires, the percentage of male employees is 87.80% compared to female employees, the percentage is only 12.19%.

Table 2. Characteristics of Respondents Based on Age

Age	Frequency	Percentage
21-30 Years		
31-40 Years	6	7.32%
41-50 Years	33	40.24%
51-60 Years	38	46.34%
	5	6.09%
Number of Samples	82	100 %

Source : Primary Data Processed

In table 4.2 the majority of employees are in the age of 41-50 years with a percentage of 46.34%. Meanwhile, at the age of 21-30 years, the percentage is 7.32%. At the age of 31-40 years the percentage is 40.24%. And at the age of 50-60 years the percentage is 6.09%.

Table 3. Characteristics of Respondents Based on Last Education

Education	Frequency	Percentage
SD	4	4.88 %
SLTP	3	3.66 %
SLTA	45	54.88 %
Diploma 3	5	6.09 %
Diploma 4	1	1.22 %
S1	18	21.95 %
S2	6	7.32 %
Number of Samples	**82**	**100 %**

Source : Primary Data Processed

In table 4.3 above, the majority of the employees' last education was high school with a percentage of 54.88%. While the last education is elementary school, the percentage is 4.88%. The last education was junior high school with a percentage of 3.66%. The last education is diploma 3 with a percentage of 6.09%. The last education is diploma 4 with a percentage of 1.22%. The last education is S1

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with a percentage of 21.95%. And the last education S2 with a percentage of 7.32%.

Table 4. Characteristics of Respondents Based on Length of Work

Length of work	Frequency	Percentage
0-5 Years		7.32 %
6-10 Years	6	10.97 %
11-15 Years	9	19.51 %
16-20 Years	16	28.05 %
21-25 Years	23	19 %
26-30 Years	16	51 %
>30 Years	9	10.97 %
	3	3.65 %
Number of Samples	**82**	**100 %**

Source : Primary Data Processed

In table 4.4 above, we can see that the majority of these employees work for the period of 16-20 years with a percentage of 28.05%. While the length of work at 0-5 years with a percentage of 7.32%. Length of work 6-10 years with a percentage of 10.97%. Length of work at 11-15 years 19.51%. Length of work at 21-25 years with a percentage of 19.51%. Length of work at 26-30 years with a percentage of 10.97%. And the length of work is more than 30 years with a percentage of 3.65%.

Table 5. Characteristics of Respondents Based on Monthly Income

Income	Frequency	Percentage
700.000-1.900.000		
2.000.000-2.900.000	16	19.51%
3.000.000-3.900.000	23	28.05%
4.000.000-4.900.000	31	37.80%
5.000.000-5.900.000	6	7.32%
6.000.000-7.000.000	4	4.88%
	2	2.44%

Number of Sample	82	100%

Source : primary data processed

In table 4.5 we can see that the majority of these employees earn around 3,000,000-3,900,000 Rupiah per month with a percentage of 37.80%. while the monthly income ranges from 700,000-1,900,000 Rupiah, the presentation is 19.51%. income between Rp. 2,000,000-2,900,000 the presentation is 28.05%. income between 4,000,000-4,900,000 the presentation is 7.32%. income between 5,000,000-5,900,000 the presentation is 4.88%. and income between 6,000,000-7,000,000 Rupiah the presentation is only 2.44%.

A.   Analysis Data

The results of descriptive statistical tests will be described in this section. The independent variable is financial compensation (X1) which consists of three statement items, namely non-financial compensation (X2) which consists of two statement items, while the dependent variable, namely employee performance (Y) is divided into three indicators with three statements. For more details, the following will describe the description of research variables.

1. Financial Compensation

The financial compensation variable consists of three indicators, namely salaries, bonuses, and protection programs. Each indicator consists of one statement item, thus there are three statement items for the financial compensation variable (X1).

Table 6. Salary Presentation Data Analysis P1

Valid	Frequency	Percent	Valid percent	Cumulative Percent
2	23	15.9	15.9	15.9
3	12	14.6	14.6	30.5
4	35	42.7	42.7	73.2
5	22	26.8	26.8	100.0
Total	**82**	**100.0**	**100.0**	

Source : Frequency Table

From table 4.6 regarding salary, 82 respondents answered strongly agree amounting to 22 respondents or 26.8%. 35 respondents or 42.7% answered agree. 12

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respondents or 14.6% answered disagree. And those who answered strongly disagreed no. so it can be concluded that in this question, more respondents answered agree, namely with a percentage of 42.7%

Table 7. Bonus Question data analysis P2

Valid	Frekuensi	Percent	Valid percent	Cumulative Percent
2	5	6.1	6.1	6.1
3	12	14.6	14.6	20.7
4	42	51.2	51.2	72.0
5	23	28.0	28.0	100.0
Total	**82**	**100.0**	**100.0**	

From table 4.7 regarding bonuses, 82 respondents who answered strongly agreed amounted to 23 respondents or 28.00%. 42 respondents or 51.2% answered agree. 12 respondents or 14.6% answered undecided. 5 respondents or 6.1% answered disagree. And those who answered disagree did not exist. So it can be concluded that in this bonus question, more respondents answered agree, namely with a percentage of 51.2%.

Table 8. Data Analysis Protection Programs Questions P3

Valid	Frequency	Percent	Valid percent	Cumulative Percent
1	1	1.2	1.2	1.2
2	3	3.7	3.7	4.9
3	9	11.0	11.0	15.9
4	48	58.5	58.5	74.4
5	21	25.6	25.6	100.0
Total	**82**	**100.0**	**100.0**	

Source: Frequency Table

From Table 4.8 Regarding Protection Programs, 82 respondents who answered strongly agreed amounted to 21 respondents or 25.6%. 48 respondents or 58.5% answered agree. 9 respondents or 11.0% answered undecided. 3 respondents or 3.7% answered disagree. So it can be concluded that on the question of these protection programs, most of the respondents answered agree, namely with a percentage of 58.5%.

Non-Financial Compensation (X2)

The non-financial compensation variable consists of two indicators, namely indicators of work and work environment. The job indicator consists of one statement item. The work environment indicator consists of one statement item, thus there are two statement items for the non-financial compensation variable (X2).

Table 9. Job Inquiry data analysis P4

Valid	Frequency	Percent	Valid percent	Cumulative Percent
1	1	1.2	1.2	1.2
3	1	1.2	1.2	2.4
4	48	58.5	58.5	61.0
5	32	39.0	39.0	100.0
Total	**82**	**100.0**	**100.0**	

Source : Frequency Table

From table 4.9 regarding work, 82 respondents answered strongly agree amounting to 32 or 39.0%. 48 respondents or 58.5% answered agree. 1 respondent or 1.2% answered doubtful. No one answered disagree. And 1 respondent or 1.2% answered strongly disagree, so that it can be concluded that on the question of these protection programs, respondents mostly answered agree, namely with a percentage of 58.5%.

Table 10. Data Analysis Work Environment Question P5

Valid	Frequency	Percent	Valid percent	Cumulative Percent
1	1	1.2	1.2	1.2
2	15	18.3	18.3	19.5
3	22	26.8	26.8	46.3
4	32	39.0	39.0	85.4
5	12	14.6	14.6	100.0
Total	**82**	**100.0**	**100.0**	

Source : Frequency Table

From table 4.10 regarding the work environment, 82 respondents answered strongly agree that 12 respondents or 14.6%. 32 respondents or 39.0% answered agree. 22 respondents or 26.8% answered doubtful. 15 respondents or 18.3% answered disagree and 1 respondent or 1.2% answered strongly disagree. So it can be concluded that in this work

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environment question, more respondents answered agree, namely with a percentage of 39.0%.

Employee Performance (Y)

The employee performance variable consists of three indicators, namely the nature of employee performance, employee behavior, and employee performance results. Each indicator consists of one statement, thus there are three statement items for the employee performance variable (Y).

Table 11. Data Analysis Questions on the Nature of Employee Performance P6

Valid	Frequency	Percent	Valid percent	Cumulative Percent
2	1	1.2	1.2	1.2
3	8	9.8	9.8	11.0
4	40	48.8	48.8	59.8
5	33	40.2	40.2	100.0
Total	82	100.0	100.0	

Table 12. Data Analysis of Employee Performance Behavior Questions P7

Valid	Frequency	Percent	Valid percent	Cumulative Percent
1	2	2.4	2.4	2.4
2	32	39.0	39.0	41.5
3	22	26.8	26.8	68.3
4	1	23.2	23.2	91.5
5	7	8.5	8.5	100.0
Total	82	100.0	100.0	

Source : Frequency Table

From table 4.12 regarding employee performance behavior, 82 respondents answered strongly agree amounting to 7 respondents or 8.5%. 19 respondents or 23.2% answered agree. 22 respondents or 26.8% answered doubtful. 32 respondents or 39.0% answered disagree. And 32 respondents or 2.4% answered strongly disagree., more respondents answered disagree, which was 39.0%.

Data Quality Test

1. Validity and Reliability Test

a. Test Validity Data

Testing the validity of the data in this study using Bivariate Pearson correlation (Pearson product moment correlation). The test uses a two-sided test with a significance level of 0.05. The test criteria are if r count > r table then the instrument or statement items have a significant

correlation with the total score (declared valid). The amount of data (n) = 82, then df = n-2 = 82-2 = 80, obtained a table of 0.217

Item-Total Statistic

	Scale Mean If Item Deleted	Scale Variance If Item Deleted	Corrected Item-Multiple Correlation	Squared Multiple Correlation	Cronbach's Alpha If Item Deleted
P1	27.15	16.003	.727	.619	.811
P2	26.94	18.947	.458	.336	.845
P3	26.91	17.437	.732	.646	.814
P4	26.61	18.661	.704	.609	.823
P5	27.48	16.969	.603	.485	.829
P6	26.67	19.680	.450	.248	.845
P7	27.99	17.988	.438	.310	.854
P8	26.91	17.684	.690	.588	.819

Source : item Total Statistic

Table 13. Data Analysis of Employee Performance Questions P8

Valid	Frequency	Percent	Valid percent	Cumulative Percent
1	1	1.2	1.2	1.2
2	2	2.4	2.4	3.7
3	12	14.6	14.6	18.3
4	45	54.9	54.9	73.2
5	22	26.8	26.8	100.0
Total	82	100.0	100.0	

Source : Frequency Table

From table 4.14 the validity test for each statement is r arithmetic table. The first statement r count obtained 0.727. The second statement was obtained at 0.458, the third statement r arithmetic was obtained at 0.732. The fourth statement of rcount is obtained at 0.704. The fifth statement of rcount is obtained at 0.603. the sixth statement obtained r count of 0.450. the seventh statement obtained r count of 0.438. and the eighth statement obtained r count of 0.690. So it can be concluded that all statements are valid.

a. Data Realibility Test

The reliability test was only carried out for valid statement items. The reliability of the data in this study used the Croncbach's Alpha method. According to Priyanto (2010:98), "reliability less than 0.6 is not good, while 0.7 is acceptable and above 0.8 is good". After testing the validity of the data for each research variable, the valid items are entered into the reliability test.

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Table 15. Hasil Uji Realibilitas Reliability Statistic

Cronbach's Alpha	Cronbach's alpha based on standardized items	N Of Item
.849	.857	8

Source : realibility Statistic

In table 4.15 the reliability test results are 0.857, while a test is said to be reliable if Cronbach's Alpha > 0.6. so it can be concluded that the results are reliable.

2. Uji Normalitas

Normality test is used to determine whether the data population is normally distributed or not. To detect the normality of the data, it can be seen through the output graph of the p-plot curve. A variable is said to be normal if the distribution image has data points that spread around the diagonal line and the distribution of data points in the same direction follows the diagonal line.

Picture 4.2

Graphic p-plot

Normal P-P Plot of Regression Standardized Residual

Dependentt Variabel : Y = Employee Performance
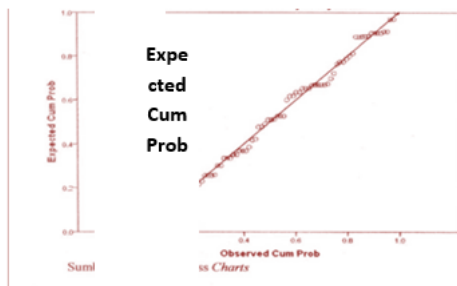
Source : attachment 5

The p-plot graph in Figure 4.2 shows the spread of data (points) around the regression line (diagonal) and the distribution of data points in the direction following the diagonal line, it can be concluded that the regression model is feasible because it meets the assumption of normality.

3. Analisis Regresi

In analyzing the relationship between employee performance (Y) with financial compensation (X1) and non-financial compensation (X2), multiple linear analysis is used.

Multiple linear regression is a data analysis carried out to predict the value of the dependent variable if the value of the independent variable increases or decreases and to determine the direction of the relationship between the independent variable and the dependent variable, each independent variable having an effect partially or simultaneously. (siregar. 2014.315).

Table 4.16

Results of Multiple Linear Analysis Hypotheses 1,2, and 3

Coefitients[a]

Model	Unstandardized Coefitents		Standardized Coefitients	T	Sig
	B	Std. Error	Beta		
1 (Constant)	3.187	.875		3.643	.000
X1	.298	.100	.344	2.981	.004
X2	.583	.156	.432	3.743	.000

a. Dependent Variabel : y

Source : coeffitients

Based on table 4.16, multiple linear regression equations can be made as follows:

$Y = 3{,}187 + 0{,}298\ X1 + 0{,}583\ X2$

The regression equation above can be explained as follows:

a. a. The constant of 3.187 means that if the financial compensation (X1) and non-financial compensation (X2) is 0, then the employee's performance (Y) is 3.187.

b. The regression coefficient for financial compensation variable (X1) is 0.298, meaning that if financial compensation has increased by 1%, then employee performance (Y) will increase by 0.298 if other variables are constant.

c. The regression coefficient for non-financial variables (X2) is 0.583, meaning

that if non-financial compensation has increased by 1%, employee performance (Y) will increase by 0.583 if other variables are constant.

3. Hypothesis Test

i. **Hypothesis Testing the Effect of Partial Financial and Non-Financial Compensation on Employee Performance.**

The first hypothesis in this study (H1) states that financial and non-financial compensation partially affect employee performance. The first hypothesis testing was analyzed using multiple linear regression analysis.

Table 17. First Hypothesis T Test Results Coefitients^a

Model	Unstandardized Coefitents		Standardized Coefitents	T	Sig
	B	Std. Error	Beta		
1 (Constant) X1 X2	3.187 .298 .583	.875 .100 .156	.344 .432	3.643 2.981 3.743	.000 .004 .000

Source : coeffitients

In table 4.17 the t value for financial compensation is 2,981 and the t value for non-financial compensation is 3.743. determine the T table with the equation of significance level (a) = 5%, degrees of freedom df = n – k - l or 82 -2 – 1 = 79, so the t table value is 1.990. Because the value of t arithmetic > t table (2.981 > 1.990) for the financial compensation variable, as well as the non-financial compensation variable (3.743 > 1.990) and the significance value is small than the significance level (a) 0.05 (0.004 < 0.005 0.000 < 0, 05), then the first hypothesis is accepted, meaning that financial and non-financial compensation have a partial significant effect on employee performance.

The T test graph can be seen in Figure 4.3 below

1,990   2,981   3,743   1,990
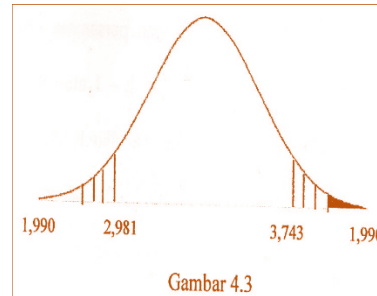
Gambar 4.3

ii. **Hypothesis Testing the Effect of Simultaneous Financial and Non-Financial Compensation on Employee Performance**

The second hypothesis in this study (H2) states that financial compensation and non-financial compensation simultaneously affect employee performance. The second hypothesis testing was analyzed using multiple linear regression analysis.

Tabel 18. Second Hypothesis Test Results ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression Residual Total	145.680 130.869 276.549	2 79 81	72.840 1.657	43.970	.000^a
Regression Residual Total	145.680 130.869 276.549		2 79 81	72.840 1.657	43.970	.000^a

a. Predictors : (Constant), x2, x1
b. Dependent Variable : y

Source : ANOVA

In Table 4.18 the calculated F value is 43,970. Determine the F table with the equation of significance level (a) = 5%, degrees of freedom df = n-k-l or 82-2-1 = 79, so F table is obtained 3.11. Because the calculated F value > F table (43.970 > 3.11) and the significance value is smaller than the significance level (a) 0.05 (0.000 > 0.05), the second hypothesis is accepted, meaning that financial compensation and non-financial compensation have a significant effect simultaneously on employee performance.

The F-test graph can be seen in Figure 4.4 below:

43,970   3,11
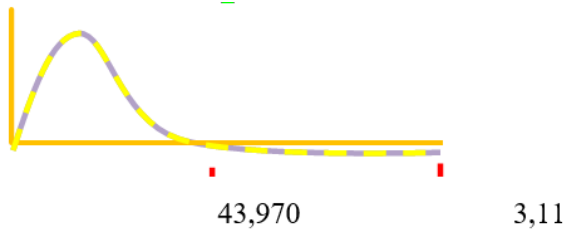
Picture 4.

iii. Hypothesis test of variables that have more influence on employee performance.

Analysis of determination (R^2) is used to determine the percentage contribution of the influence of the independent variable (X1, X2) simultaneously on the dependent variable (Y) . R^2 is equal to 0, then there is not the slightest percentage of the contribution of influence given by the independent variable to the dependent variable, on the contrary R^2 is equal to 1, then the percentage of contribution of influence given by the independent variable to the dependent variable is perfect.

Table 19. Results of Determinant Correlation Analysis (R^2) Third Hypothesis Model Summary

Model	R^a	R Square	Adjusted R Square	Std. Error of The Estimate
1	0,726	0,527	0,515	1,287

Source : model Summary

In table 4.19 the results of the analysis of determination obtained the number R2 (R Square) of 0.515 or (51.5%). while the remaining 48.85% is influenced or explained by other variables that are not included in this research model.

d. Interpretation of Research Results

The results of this study, the t-test for financial compensation obtained the t-count value of 2.98, while the table value of 1.990 (2.981>1.990). In addition, the significance value is 0.000 which is smaller than the significance level (a) 0.05 (0.004 <0.05). For non-financial compensation, the t-test obtained a t-count value of 3.743, while the t-table value was 1.990 (3.743>1.990). In addition, the significance value is 0.000 which is smaller than the significance level of (a) 0.05 (0.000 <0.05).

CLOSING

Based on the data analysis and discussion that has been carried out, the following conclusions can be drawn

1 Financial compensation and non-financial compensation partially significant effect on employee performance.
2 Financial compensation and non-financial compensation simultaneously have a significant effect on employee performance.
3 The effect of independent variables (financial compensation and non-financial compensation) on the dependent variable (employee performance) is quite strong because it exceeds fifty percent of the total one hundred percent. The effect of the independent variable is more dominant on the dependent variable compared to other variables that are not included in this research model.
4 After testing which variables have more influence on employee performance, it can be concluded that between financial and non-financial compensation variables are non-financial.

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