



The effect of non-financial compensation on job satisfaction: case study with multiple regression analysis approach at PT. PLN (Persero) WS2JB Palembang Area

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ARTICLE INFO

Article history:

Received Jul 19, 2024

Revised Aug 12, 2024

Accepted Aug 30, 2024

Keywords:

Non-Financial Compensation,
Job Satisfaction,
Multiple Linier Regression

ABSTRACT

In increasingly tight economic conditions, various business ventures are trying to continue to develop and become the best. One of the supporters of achieving company goals is through labor or employees. Employees who master their work will bring employee job satisfaction and provide optimal performance for the company. To encourage employees to work well, one way is through providing compensation both financially and non-financially. This research aims to determine the effect of non-financial compensation on employee job satisfaction at PT. PLN (Persero) WS2JB Palembang Area, with 67 employees used as respondents and the analysis technique used was multiple linear regression. The research results explain that non-financial compensation variables have a significant influence on job satisfaction of 42.9% due to the high level of significance. The research results also support the hypothesis which shows that the author's initial assumption that providing non-financial compensation has an effect on increasing job satisfaction is proven to be correct.

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INTRODUCTION

Human resource management (HRDM) is responsible for managing personnel within an organizational environment to achieve organizational goals and employee job satisfaction. HR managers are expected to carry out their duties well in the company by evaluating and providing compensation to organizational members according to their performance. Dessler (2015:3) states that HRM is a mechanism for obtaining, educating, calculating and providing compensation, all of which are related to integrity. To provide protection in achieving goal alignment, it is hoped that organizational leaders will provide views through providing compensation, this is because providing compensation is intended as a stimulus given by the company to employees in increasing work morale, so that it can increase organizational productivity, because the amount of compensation reflects the size of the employee's work value and want satisfaction at work, this is

because each worker has different characteristics, giving rise to different impacts (Suseno Dwi, 2021). Meanwhile, according to Sulistiyani and Rosidah (Gunawan, 2016), compensation is everything an employee receives as a reward (counter performance) for his work. (Nugraha & Surya, 2016) stated that many companies experience problems with employee satisfaction levels, ranging from lack of incentives, uncomfortable workplaces to employee promotion problems. If left unchecked, there will be a very high turnover rate. When financial compensation can be fulfilled, there is another side that the company must pay attention to, namely non-financial compensation. This means that in order to increase employee job satisfaction, it is not enough just to fulfill financial compensation, but non-financial compensation must also be fulfilled. One of the important goals in human resource management is to create job satisfaction for employees, where job satisfaction can be achieved if employees receive effective compensation, namely compensation whose benefits can be felt by employees. Providing adequate compensation allows employees to feel appreciated and will feel satisfied in working for a company. Dissatisfaction with work is often one of the most important reasons that causes employees to have the intention to leave their job or what is called the intention to leave (an interest in permanently resigning voluntarily or not from the organization). PT. PLN (Persero) WS2JB Palembang Area is a company that provides electricity in Palembang City, divided into 4 areas called rayons, including Rayon A. Rivai, Kenten, Sukarami and Ampera. This electricity producing company has high mobility, so it requires qualified and competent employees to help the company achieve its goals. Therefore, it is necessary to know and analyze what factors can lead to employee job satisfaction from non-financial compensation to create a positive attitude, so that employees can stay in the company without having the intention to leave or move to another company. Based on the background, further research will be carried out entitled "The influence of non-financial compensation on job satisfaction: a case study using a multiple regression analysis approach at PT. PLN (Persero) WS2JB Palembang Area".

(Khaeruman et al., 2021) states that in order to achieve the goals of the company, employees and society efficiently and effectively, science and art are needed, hopefully they can manage the relationships and roles of the workforce. Sutrisno (Muhammad Alamsyah Ramli et al., 2021) defines an activity where human resources are planned, obtained, developed, maintained and used to achieve individual and organizational goals. (Rumawas, 2018) recognizes that HRM plans, organizes, directs and controls the acquisition, development, evaluation, integration, maintenance and release of human resources to achieve various individual and organizational goals. In accordance with the views of HR experts, HRM is synthesized to handle various problems to support activities in the environment of employees, workers, employees, supervisors and other employees to achieve company or organization goals. Furthermore, compensation according to (Khaeruman et al., 2021) states compensation for all income in the form of money or goods received by employees as compensation for services provided to the company. (Khaeruman et al., 2021) states that rewards are recognition or appreciation in the form of money or goods and services so that workers feel appreciated for their work. Handoko (Fauziah et al., 2016) states that salary is something that workers receive for their work. (Maestre et al., 2021) states that benefits are payments to employees and matters related to employees. Davis and Werther (Herawati et al., 2021) divide it into: 1) Direct compensation and 2) Indirect compensation in the form of welfare services. According to expert opinion, rewards can be synthesized, namely rewards for employees' sacrifices for the benefit of the company. (Suseno Dwi, 2021) states that job satisfaction is a set of feelings that employees have regarding whether their work is enjoyable or not. According to (Dwi Suseno & Dkk, 2023), job satisfaction is performance in various aspects. Priansa (Diawati, 2015) states that employees' feelings towards their work, regardless of satisfaction or dissatisfaction with the employee's interaction with the work environment, regarding mental attitudes which are the result of an action, are said to be job satisfaction. According to expert opinion, job satisfaction can be further synthesized, namely the (positive) attitude of an employee towards his work.

Previous research conducted (Etichasarie et al., 2016) The results of the research produced a path coefficient value of 0.671 with a significance of 0.000, indicating that non-monetary compensation has a significant effect on job satisfaction. (Akhwanul Akmal & Ihda Tamini, 2020) through their research show that there is a strong relationship between the effects of compensation, while THR has no partial effect. In research conducted by (Yulianita, 2016) stated that all research hypotheses have a significant effect on job satisfaction, so that all research hypotheses are appropriate. Research conducted by (Septerina & Irawati, 2018) concluded that employee job satisfaction at PT. Etowa packages from Indonesia are significantly influenced by monetary rewards and non-monetary rewards. The research results of (Akhwanul Hatang et al., 2016) suggest that there is a positive and significant influence of salary and work environment on job satisfaction. (Yulianita, 2017) provides an argument in the results of her research that salary has an important influence regarding the job satisfaction of PT employees. Gemilang Utama Ideal Palembang achieved a value of 0.070. (Agathanisa & Prasetyo, 2018) provide the results of research they have conducted with a coefficient of determination of 0.620, there is a significant positive influence of rewards on the job satisfaction of Indogrosir Samarinda employees. (Lobubun, 2022) suggests that non-compensation finances have a significant effect on employee job satisfaction.

RESEARCH METHOD

This research was conducted as an effort to find out how non-financial compensation influences the job satisfaction of PT employees. PLN (Persero) WS2JB Palembang City. Based on the problem formulation that has been stated previously, a comprehensive research plan is then drawn up covering everything the researcher does, starting from making hypotheses and their functional implications, to the final analysis, followed by drawing conclusions and providing suggestions. The research design provides empirical evidence regarding the relationship between the problems faced. The primary data used was obtained directly through interviews and giving questionnaires to all 67 employees who were sampled in this research, where the sample was determined using a random sampling technique, namely a sampling technique or method using the rule of chance in determining the sample elements. The random sampling technique provides the opportunity for all members of the population to become selected specimens and can be used in a population where the number of members has been determined. The questionnaire was given to the sample after testing the validity and reliability of 20 respondents as a validation and trial process of the research instrument before being given to the research sample. Secondary data in this research was obtained through literature related to PT. PLN (Persero) WS2JB Palembang Region based on objectives and level of conformity with research. According to (Sugiyono, 2017), Likert scale measurements are used in research to reveal respondents' answers to certain questions, where variables measured using a Likert scale are described as indicator variables, which are then used as a starting point in compiling instrument items. According to Ghazali (Gunawan, 2016), instruments with a coefficient value of at least 0.60 are considered reliable, followed by testing by analyzing each question using the Cronbach's alpha formula. The research that the author conducted was also descriptive research and was more descriptive in nature regarding the results of questionnaires whose data were analyzed quantitatively using the SPSS version 22.0 for Windows program and described in descriptive form.

Through a simple regression equation, the regression equation can be formulated: $Y = 18.528 + 0.599X$. Based on the results of simple regression equation testing that has been carried out, it provides evidence that the constant value (a) is 18.528, which means that if there is no increase in non-financial compensation (X) or it is equal to zero, then job satisfaction is 18.528. The regression coefficient (b) value for job satisfaction is 0.599, which means that if there is an increase of 1%, it means that satisfaction has increased by 0.599, it can be concluded that the hypotheses proposed can all be supported. The results of the correlation coefficient (R) test carried out in this research

are useful for measuring the strength of the relationship between the two variables. After carrying out the coefficient of determination test, the test results can then be used to predict how much influence the independent variable (X) will have on the dependent variable (Y). From the R square test results of 0.429 (42.9%), it states that there is a relationship between non-financial compensation and job satisfaction. R^2 of 0.655 (65.5%) from non-financial compensation variables can explain job satisfaction. The test results can be seen in the following table:

Table 1. Results of Correlation Coefficient (R) & Determination Coefficient (R^2) Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.655 ^a	.429	.420	2.94431	1.768

Source: SPSS v22 Management Results

From the results of testing the correlation coefficient (R), it can be seen that there is a relationship between the independent variable and the dependent variable of 0.429 (42.9%). Furthermore, from the results of the R^2 test that has been carried out, 0.655 (65.5%) of the independent variables can explain the dependent variable.

RESULTS AND DISCUSSIONS

Normality testing is carried out using a histogram diagram to predict whether the data received from the questionnaire results is normally distributed, reflected in the following image:

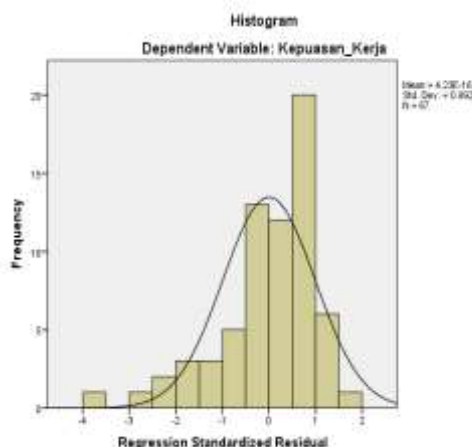


Figure1: Normality test histogram

Based on Figure 1, the diagram shows that the regression model is suitable for use because it meets the normality assumption. This research examines the effect of compensation on employee job satisfaction at PT. PLN (Persero) WS2JB Palembang Area. Based on tests carried out on the hypotheses in the research, the independent variable has an influence on the dependent variable. Compensation variables (non-financial) have a significant influence on job satisfaction of 42.9%. Below is a table of t test results to support the arguments stated above.

Table 2. Coefficient Results of Simple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
1	(Constant)	B	Std. Error	Beta		
	Compensation	18.528	3.912		4.736	.000
		.599	.086	.655	6.987	.000

Source: processed research data

Compensation variables (non-financial) are variables that support increased job satisfaction, because of the influence of compensation at PT. PLN (Persero) WS2JB Area Palembang is strongly felt by respondents. This shows that the author's initial assumption that periodic compensation is expected to increase job satisfaction has been proven correct. The results of this research are also supported by several previous studies (Sutanty et al., 2022) which state that non-financial compensation has a positive and significant effect on the effectiveness of employee performance at the Sumbawa Regency Personnel, Education and Training Service, there is a unidirectional positive relationship which means the better the compensation. If non-financial funds are provided to employees, the effectiveness of employee performance at the Sumbawa Regency Personnel, Education and Training Agency will increase. Non-financial compensation can be a factor in maintaining employee motivation. Furthermore, if employee motivation is good then automatically employee performance and loyalty will also be good. Good compensation is compensation that is given by applying the principles of justice, appropriateness and fairness, where the determination of the size is carried out by taking into account government regulations, work productivity, labor unions, salary policies and so on (Hariyanti, 2020). Research results (Etichasarie, Recha Putrie, Sunuharyo, 2015) show that non-financial compensation has a positive and significant influence on employee job satisfaction at Akor Global. Research results (Prasodjo, 2015) show that non-financial compensation has a positive and significant influence on employee job satisfaction at Akor Global. Research conducted by (Dewi et al., 2022) entitled The Effect of Non-Financial Compensation and Competency on Job Satisfaction at PT. BPR Tridarma Putri stated that non-financial compensation had a positive and significant effect on PT job satisfaction. BPR Tridarma Putri. Furthermore, research results (Pada et al., 2020) state that non-financial compensation variables do not have a significant effect on employee job satisfaction.

CONCLUSION

The research carried out produced a correlation coefficient (R) of 0.655, the implication being that there is a strong relationship between the compensation variable and job satisfaction of 65.5%, so it can be said that the non-financial compensation given to employees greatly influences the level of job satisfaction. The research results also obtained a coefficient of determination (R^2) of 0.429 which shows that the contribution of the compensation variable is able to explain job satisfaction by 42.9%, while the remaining 57.1% is explained by variables such as organizational culture, work motivation, leadership style and other variables the author didn't mention it.

ACKNOWLEDGEMENTS

My first thanks go to all the leaders of PT. PLN (Persero) WS2JB Palembang Area which has given permission and opportunity to the author to conduct research, then a second thank you is also conveyed to all employees of PT. PLN (Persero) WS2JB Palembang Area who has been willing to set aside and volunteer his time to be a respondent in the research that the author conducted

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