

THE IMPACT OF FINANCIAL AND NON-FINANCIAL COMPENSATION ON THE JOB SATISFACTION OF PT. DEMPO ANDALAS SAMUDERA PADANG EMPLOYEES

Topan Alparedi^{1*}, Zebna Febi²⁾, Mursal³⁾, Ahmad Bustomi⁴⁾

¹Institut Agama Islam Negeri (IAIN) Curup

²Universitas Bung Hatta

³Institut Agama Islam Negeri (IAIN) Kerinci

⁴Institut Agama Islam Negeri (IAIN) Metro

Email: topanalparedi@iaincurup.ac.id

ABSTRACT

Purpose: This research aims to obtain real evidence of the influence of financial and non-financial compensation on job satisfaction PT. Dempo Andalas Samudera Padang employees.

Desain/Methodology/Approach: A sample of 67 employees who received financial and non-financial compensation was used for the test. Sample selection was carried out using the survey method. Hypothesis testing uses inferential analysis through multiple linear regression models and t-statistical tests.

Findings: The test results showed that the first hypothesis was accepted, namely that financial compensation had a significant effect on job satisfaction, and the second hypothesis was also accepted, namely that non-financial compensation had a significant effect on job satisfaction.

Research Implications: This research proves that good compensation can increase employee satisfaction. Therefore, companies need to formulate financial and non-financial compensation for their employees.

Keywords: Job Satisfaction; Financial Compensation; Nonfinancial Compensation

ABSTRAK

Tujuan Penelitian: Penelitian ini bertujuan untuk memperoleh bukti nyata pengaruh kompensasi finansial dan non finansial terhadap kepuasan kerja karyawan PT. Dempo Andalas Samudera Padang.

Desain/Methodologi/Pendekatan Penelitian: Sampel sebanyak 67 karyawan yang menerima kompensasi finansial dan non finansial. Pemilihan sampel dilakukan dengan metode survei. Pengujian hipotesis menggunakan analisis inferensial melalui model regresi linier berganda dan uji t-statistik.

Hasil Penelitian: Hasil pengujian menunjukkan bahwa hipotesis pertama diterima yaitu kompensasi finansial berpengaruh signifikan terhadap kepuasan kerja, dan hipotesis kedua juga diterima yaitu kompensasi non finansial berpengaruh signifikan terhadap kepuasan kerja.

Implikasi Hasil Penelitian: Penelitian ini membuktikan bahwa kompensasi yang baik dapat meningkatkan kepuasan karyawan. Oleh karena itu, perusahaan perlu merumuskan kompensasi finansial dan non finansial bagi karyawannya.

Kata Kunci: Kepuasan Kerja; Kompensasi Keuangan; Kompensasi Nonfinansial

E-Journal Al-Dzahab
Vol. 05, Issue 01
March, 2024
Pages. 42-49

p-ISSN: 2808-7631
e-ISSN: 2808-758

INTRODUCTION

Business companies that will survive and continue to grow are companies that can manage the resources they have. Among the resources available in a company, human resources are one of the key factors for building a sustainable competitive advantage because human resources are the main driver in operating and implementing policies within the

company. The emphasis on human factors in a company does not mean that other factors do not play an important role because the various factors needed in a company support and complement each other, or they act synergistically. When management realizes the important role of human resources in the company, it is natural for management to pay attention to and understand things that can motivate human resources or employees to work to create job satisfaction for employees so that the company continues to grow and develop, likewise with PT. Dempo Andalas Samudera, an integrated fisheries product processing unit company, processes the fish catches of fishermen along the coast of West Sumatra.

PT. Dempo Andalas Samudera was founded on September 11, 2006, as a privately owned company that processes fishery products. PT. Dempo Andalas Samudera is located in the area of the Bungus Ocean Fisheries Harbor Corporation (PPS), Jalan Raya Padang Painan Km. 16 Padang. As an exporting company processing fishery products with international standards, the company must be able to create products of very high quality. Achieving high-quality products must be supported by advanced tools and technology, however, with advanced tools and technology applied to PT. Dempo Andalas Samudera, Achieving high-quality products is only possible with the support of qualified personnel because human resources are the most important factor in the work process that makes work effective or not.

Human resources are not only the main drivers and elements of implementing company policies and procedures but also humans with certain thoughts, feelings, needs, and expectations. This requires special attention because these factors influence performance, engagement, and job satisfaction. Job satisfaction is defined as the joy of employees in carrying out work. This is important because it directly relates to stress, turnover, and absenteeism.

Hasibuan (2016) emphasized that having a positive emotional attitude and love of work are components of job satisfaction/work happiness. This perspective clarifies that the employee's comfort level supports work happiness. Conversely, if the opposite happens, workers will become reluctant to work and may even choose to leave the organization. (Ariati, 2014) lists the factors influencing job satisfaction: coworkers, supervisors, promotions, imbalance, and the job. Johan (2020) also supported the idea that internal and external variables influence a person's work happiness. Extrinsic factors are external to the employee, such as the physical condition of the workplace, interactions with co-workers, and the salary received. Meanwhile, intrinsic factors are things that employees bring with them from the moment they start working at their workplace. Sugiarti (2022) said job satisfaction is a general attitude towards a person's work that shows the difference between the amount of appreciation they receive and the amount they believe they should receive.

According to Hasibuan (2016), job satisfaction is a pleasant emotional attitude that loves one's job. From this perspective, it can be seen that employee satisfaction increases when employees feel comfortable while doing their work. This is reflected in employees' positive attitude towards their work. In contrast, dissatisfied employees have negative attitudes towards work and different forms of cooperation. This difference occurs because the level of satisfaction of workers or employees differs from one another. Robbins & Judge (2015) explain five important indicators of job satisfaction. The first is the work itself. Other relationships with superiors, the third is co-workers, the fourth is promotions, and the fifth is wages or salaries. These can indicate a decrease in job satisfaction, including high levels of absenteeism, high turnover or staff turnover, decreased work productivity, or employee efficiency. To find out how satisfied employees are with PT. Dempo Andalas Samudera can be seen in Table 1 below:

Table 1.

PT. Dempo Andalas Samudera Employee Attendance for January-December 2022

Month	Number of employees (Person)	Number of working days (Day)	Total Working Hours (Hours)	Number of Absences (Day)	Absence Rate (%)
January	67	26	208	8	3,84
February	66	22	176	9	5,11
March	63	27	216	5	2,31
April	67	25	200	6	3
May	65	25	200	9	4,5
June	66	24	192	8	4,16
July	67	25	200	10	5
August	66	23	184	15	8,15
September	67	26	208	6	2,88
October	64	26	208	9	4,32
November	66	26	208	7	3,36
December	67	24	192	11	5,72
Average of absenteeism					4,36

Source: Internal Data of PT Employees. Dempo Andalas Samudera 2022

Working hours set by PT. Dempo Andalas Samudera is 8 hours daily, from 08.00 WIB to 16.00 WIB. The company tolerates an average monthly absenteeism rate of 4% among its employees. This shows that the level of employee absenteeism at PT. Dempo Andalas Samudera cannot be tolerated because the average monthly employee absenteeism rate is more than 4%, namely 5.11% in February, 4.5% in May, 4.16% in June, 8.15% in August, 4.32% in October, and 5.72% in December. In this case, the reasons for employee absence are illness, necessity (permission), and lack of clear reasons (negligence). This shows that employees are not satisfied with their work.

Siagian (2010) also clarified this. Based on research by various experts and the experience of many organizations, there is a strong correlation between job satisfaction and absenteeism. This proves that employees with high job satisfaction have low absenteeism rates. Conversely, employees with low satisfaction tend to have high levels of absenteeism. There has been an increase in employee absenteeism at PT. Dempo Andalas Samudera indicates that employee job dissatisfaction has occurred.

Indications of dissatisfaction can also be seen from the turnover rate or employee turnover rate to determine the employee turnover rate of PT. Dempo Andalas Samudera can be seen in Table 2 below.

Table 2

PT. Dempo Andalas Samudera Employee Transfer or Turnover Rate

Years	Number of employees	Number of employees resign	Number of employee recruitment
2020	67	12	12
2021	67	10	10
2022	67	13	13

Source: Internal Data of PT Employees. Dempo Andalas Samudera 2022

The increasing absenteeism and increasing levels of labor turnover are indications of dissatisfaction with working at PT. Andalas Ocean Dempo. Dissatisfaction is very worrying

for companies because it can reduce company performance and eliminate opportunities. The benefits of increasing employee performance are greater than the recruitment costs paid by the company. So, to increase job satisfaction for employees, it is necessary to do things that can increase job satisfaction.

LITERATURE REVIEW

Job Satisfaction

According to Dessler (2015), job satisfaction is "a person's general attitude toward his or her job." He highlights that compensation, including financial and non-financial incentives, can influence general attitudes toward work. Sofyandi (2013) and Faliani et al. (2015) state that Compensation is a form of cost that must be paid to the company in the hope that it will receive compensation from its employees as a service. According to Sutrisno (2014: 181), compensation is an important function in human resource management (HR) because compensation is one of the most sensitive aspects of work relations. According to Kadarisman (2014), complementary compensation, also known as additional benefits, is a type of payment that takes the form of offering packages, benefits, and employee service initiatives, with the main aim of maintaining the employee's status as a long-term member of the company. Salaries, allowances, and other benefits that employees are entitled to, whether monetary or not, are all considered a form of compensation for the work they do for the company (Matter, 2020).

Financial Compensation

According to Handoko (2016), financial compensation is a direct or indirect reward to employees in the form of money for a predetermined period. Marwansyah (2016) states that financial compensation is the total amount of money or other goods that employees receive as compensation for their work within the company. This can include salaries, wages, bonuses, incentives, and other benefits such as health insurance, paid leave, meal allowances, and holiday allowances. Apsara (2017:5) Non-financial incentives are a type of motivation that is deliberately given to staff members as a means of affirmation or gratitude to increase work morale and motivate them to work more efficiently.

Compensation provided by PT. Dempo Andalas Samudera is financial compensation and non-financial compensation. Financial compensation received: First, salaries are paid based on a certain period. Second are incentives or bonuses, namely payments other than salary or wages. These three health insurance policies are insurance guarantees for employees in their work. The fourth is unemployment insurance, i.e., monetary compensation for employees who experience work accidents. Fifth, holiday pay is a payment made before religious holidays—non-financial compensation provided by PT. Dempo Andalas Samudera is a non-financial employee award, especially for advertising. Namely, promotion by the company to employees who have met the requirements and criteria set by the company. Another award for long-time employees. Awards are given for the time an employee has worked for the company. According to Simamora (2004), Rewards influence satisfaction and act as a feedback loop, allowing employees to change their behavior later. This means that when they feel underpaid, they often leave or resign. Moreover, if they feel they are being paid too much, they may become bored or work harder to compensate. Moreover, if they feel like they are being paid too much, they might get bored or compensate by working harder.

PT. Dempo Andalas Samudera, an exporting company processing fishery products with international standards, is required to continue improving its products' quality. To achieve this high-quality product, employees who have high-quality work are needed. Companies must pay attention to things that can improve the quality of the employees' work

by providing financial and non-financial compensation. This compensation can create job satisfaction for the employees, who are compensated by working harder.

RESEARCH METHODS

The object of this research is the employees of PT. Dempo Andalas Samudera Padang, which received financial and non-financial compensation. In this research, the population includes all employees and officers of the PT company. Dempo Andalas Samudera is numbering 67 people. Because the population was only 67 employees, the entire population participated in this study, so the sampling method for this study was full sampling.

RESULTS AND DISCUSSION

Validity Test Results

The results of the validity test of the financial compensation variable consisting of 10 statement items were declared valid after retesting the ten financial compensation statement items. Furthermore, for Nonfinancial Compensation, which consists of 3 items where all three questions are declared valid. Then, for job satisfaction, which consists of 12 statements, 1 statement is invalid because it has a small critical r value of 0.30, so the third statement is not included in the next test. Then a retest is carried out for 11 job satisfaction statements, declared valid because the calculated r-value is seen from Pearson correlation is greater than the critical r of 0.30

Reliability Test Results

Based on the results of data processing, it was concluded that the summary of reliability results was proven to have a Cronbach's Alpha value > 0.60 ; namely, for financial compensation, it was 0.818; for non-financial compensation, it was 0.813; and for job satisfaction, the value was 0.857. From this, it can be concluded that the statement is reliable and, therefore, can be treated in the context of hypothesis testing.

Regression Model

A summary of the test results can be obtained from processing the data presented in the multiple linear regression equation as follows:

$$Y = 5,849 + 0,286X_1 + 0,424 X_2 + e$$

A constant value was found of 5.849; this value shows that if financial and non-financial compensation do not change, then the job satisfaction of PT employees. Dempo Andalas Samudra Padang is 5,849.

From this equation, it can be seen that the regression coefficient for the financial compensation variable is 0.286, meaning that the higher the financial compensation, the greater the job satisfaction of PT employees will increase. Dempo Andalas Samudra Padang is 0.286, assuming that non-financial compensation is not paid because financial compensation positively influences job satisfaction. Next, the equation shows that the regression coefficient on the non-financial compensation variable is 0.424, meaning that the better the provision of non-financial compensation, the higher the job satisfaction of PT employees. Dempo Andalas Samudra Padang is 0.424, assuming that financial compensation does not change or remains constant and that non-financial compensation positively impacts job satisfaction.

T-Statistics Test Results

Statistical tests evaluate how the independent variable statistically affects the dependent variable. The results of the testing process are determined according to the table below:

Table 3.
Hypothesis Testing Results

Variable	Coeff.	t-test	Sig.	Information
X1	0,286	2,286	0,026	H ₁ Accepted
X2	0,424	3,386	0,001	H ₂ Accepted

Source: Data processed with IBM SPSS 26

From the table results, it can be seen that the test results for variable X1 obtained a Sig value. 0.026, whereas in the test, using an alpha of 0.05 means the Sig value. $0.00 < 0.05$, so the decision is that Ho is rejected and Ha is accepted, so it can be concluded that financial compensation positively and significantly affects employee job satisfaction.

From the table, the second independent variable shows that the test results for variable X2 obtained a Sig value. 0.001, whereas in the test, using an alpha of 0.05 means the Sig value. $0.000 < 0.05$, so the decision is that Ho is rejected and Ha is accepted, so it can be concluded that non-financial compensation positively and significantly affects employee job satisfaction.

Discussion

The Effect of Financial Compensation on Job Satisfaction

Based on the test results, it was found that financial compensation had a positive and significant effect on the job satisfaction of PT employees. Dempo Andalas Samudra Padang with a regression coefficient value of 0.286 and a significant value of 0.026 or smaller than 0.05, then Ho is accepted, and Ha is rejected. In this research, the hypothesis that financial compensation positively affects job satisfaction is proven.

This finding is in line with the results found by Wahyu, E. E. (2017), Bintoro, J. A., Utami, H. N., & Hakam, M. S. O. (2013), Supriadi, F. (2021), Nugraheni, A. D. P. (2019), Jaenab, J (2021), Bintoro, J. A., Utami, H. N., & Hakam, M. S. O. (2013, Oktavia, D., (2015), who say that financial compensation has a positive and significant effect on employee job satisfaction can be explained by the Financial Compensation variable (X1) has a significant influence on the Job Satisfaction variable.

The Effect of Nonfinancial Compensation on Job Satisfaction

Based on the test results, it was found that non-financial compensation had a positive and significant effect on the job satisfaction of PT employees. Dempo Andalas Samudra Padang with a regression coefficient value of 0.424 and a significant value of 0.001 or smaller than 0.05, then Ho is accepted, and Ha is rejected. In this research, the hypothesis is proven, which states that non-financial compensation has a positive effect on the job satisfaction of PT employees. Dempo Andalas Samudra Padang.

This finding is in line with the results found by, Wahyu, E. E. (2017), Bintoro, J. A., Utami, H. N., & Hakam, M. S. O. (2013), Supriadi, F. (2021), Nugraheni, A. D. P. (2019), Jaenab, J . (2021), Bintoro, J. A., Utami, H. N., & Hakam, M. S. O. (2013, Oktavia, D., (2015), who say that non-financial compensation has a positive and significant effect on employee job satisfaction can be explained by the non-financial compensation variable has a significant influence on the Job Satisfaction variable.

CONCLUSION

Based on statistical tests used to evaluate how the independent variable statistically affects the dependent variable. The results of the testing process are determined according to the findings below:

1. this research found that financial compensation positively and significantly affects employee job satisfaction at PT. Dempo Andalas Samudra Padang, and the hypothesis is proven.
2. The results of this research found that non-financial compensation has a positive and significant effect on the job satisfaction of PT employees. Dempo Andalas Samudra Padang, and the hypothesis is proven.
3. Job satisfaction of PT employees. Dempo Andalas Samudra Padang is included in the high category, which means employees of PT. Dempo Andalas Samudra Padang is satisfied with their work.

REFERENCES

- Andriani, M., Santi, E., & Mustika, R. (2019). Sumber Daya Manusia . Akuntansi Dan Manajemen.
- Angela, L., Ekawarna, E., Sulistiyo, U., Sofyan, H., & Sarmigi, E. (2023). The Effect of Leadership and Organizational Culture on Work Motivation and Their Implications on Teacher Performance. *PPSDP International Journal of Education*, 2(2), 267–277.
- Apsari, N. M. M dan Riana, I. G. (2017), “Pengaruh Insentif Finansial, Insentif Non Finansial, dan Motivasi Kerja terhadap Kepuasan Kerja”, E-Jurnal Manajemen Unud ISSN:2302-8912 Vol. 6, No. 3,2017:1592-1616. <https://ojs.unud.ac.id/index.php/Manajemen/article/view/28273/17931> Diakses 18 Maret 2020
- Azuar Juliandi, I., & Manurung, S. (2014). Metodologi Penelitian Bisnis: Konsep dan Aplikasi. Medan: UMSU Press
- Bintoro, J. A., Utami, H. N., & Hakam, M. S. O. (2013). Pengaruh Kompensasi Finansial dan Non Finansial Terhadap Kepuasan Kerja dan Prestasi Kerja Karyawan. *Fakultas Ilmu Ekonomi Administrasi Universitas Brawijaya*.
- Dessler, Gery. (2015). *Manajemen Sumber Daya Manusia*. Edisi 14. Jakarta : Selamba Empat.
- Handoko, T. H. (2016). *Manajemen Personalia Dan Sumberdaya Manusia*. Bpfe. Semarang.
- Hasibuan, Malayu S.P. (2019) *Manajemen Sumber Daya Manusia*. Edisi Revisi. PT. Bumi Aksara. Jakarta.
- Herningrum, I., Ekawarna, E., Khairinal, K., Hadiyanto, H., & Sarmigi, E. (2023). Mediation Effect of Job Satisfaction on The Effect of Participatory Leadership Style and Individual Creativity on Senior High School Teacher Performance in Kerinci District. *PPSDP International Journal of Education*, 2(2), 230–244.
- Istijanto. (2010). *Riset Sumber Daya Manusia*. Jakarta: PT. Gramedia Pustaka Utama.
- Jaenab, J. (2021). Pengaruh Kompensasi Finansial Dan Kopensasi Non Finansial Terhadap Kepuasan Kerja Karyawan. *Jurnal Ilmiah Satyagraha*, 4(1), 99-106.
- Juliandi, dkk (2015). *Management Journal*, Grafindo persada. Jakarta

- Kadarisman, M. (2014). *Manajemen Kompensasi Cetakan Ke 2*, Jakarta: PT. Raja Grafindo Persada. Jakarta
- Marwansyah, M. S. D. M., & Dua, E. (2016). Bandung: CV. Alfabeta.
- Matter, B. M. B. (2020). Back Matter 11.1. *JDM (Jurnal Dinamika Manajemen)*, 11(1).
- Nugraheni, A. D. P. (2019). *Pengaruh Kompensasi Finansial dan Kompensasi Non Finansial Terhadap Kepuasan Kerja Karyawan (Studi Pada Dosen dan Staf Fakultas Bahasa dan Seni UKSW Salatiga)* (Doctoral dissertation).
- Rizal, A. S. S. (2020). Peran subjective well-being sebagai variabel intervening pengaruh locus of control terhadap kepuasan kerja pada perawat di Rumah Sakit Islam Fatimah Banyuwangi.
- Robbins, S. P., & Judge, T. A. (2015). *Perilaku Organisasi*. Jakarta: Salemba Empat.
- Sarmigi, E., Angela, L., & Tiara, T. (2022). Pengaruh Pelatihan Dan Disiplin Kerja Terhadap Kinerja Karyawan Pada Pegadaian Kota Sungai Penuh. *Jurnal Ekonomi Dan Bisnis*, 25(1), 43–52.
- Sasmita, S. (2009). *Pengaruh Kompensasi Langsung dan Tidak Langsung Terhadap Semangat Kerja Karyawan Pada PT. Sinar Sosro Medan. Journal. Medan*
- Sekaran, Uma. (2006). *Metodologi Penelitian Untuk Bisnis*. Edisi keempat. Jakarta: Salemba Empat.
- Sofyandi, H. (2013). *Manajemen Sumber Daya Manusia*. Yogyakarta: Graha Ilmu.
- Sunyoto, D. (2012). *Manajemen Sumber Daya Manusia*. Jakarta: Caps
- Sugiarti, E., Mukrodi, M., & Mawardi, S. (2022). *Manajemen Sumber Daya Manusia*. PT. Dewangga Energi Internasional.
- Supriadi, F. (2021). Pengaruh Kompensasi Finansial dan Kompensasi Nonfinansial Terhadap Kepuasan Kerja Pegawai Negeri Sipil di Dinas Perhubungan Kabupaten Kubu Raya. *Jurnal Manajemen Motivasi*, 17(2), 65-73.
- Sutrisno, E. (2014). *Manajemen Sumber Daya Manusia*. Kencana Predana Media, Surabaya.
- Umar, H. (1999). *Riset Sumber Daya Manusia Daalam Organisasi*. Edisi revisi dan perluasan. Jakarta: PT. Gramedia Pustaka Utama.
- Wahyu, E. E. (2017). Pengaruh Kompensasi Finansial Dan Kompensasi Non Finansial Terhadap Kepuasan Kerja Karyawan Pada Sweet Garden Guest House Malang. *Adbis: Jurnal Administrasi dan Bisnis*, 11(2), 167-176.