

## The Effect of Compensation On The Performance of KFC Pettarani Employees

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### ABSTRACT

This study aims to determine the effect of compensation on the performance of Kentucky Friend Chicken (KFC) restaurant Pettarani employees either partially or simultaneously. The number of respondents in this study were 44 KFC Pettarani employees. The sampling technique uses saturated sampling technique. The collection of data used is a questionnaire, documentation, and observation. The analytical method in this study used multiple linear regression analysis which previously carried out validity tests, reliability tests, classic assumption tests (normality test, multicollinearity test, heteroscedasticity test), coefficient of determination test, t test, and f test. The results showed that partially financial compensation has a positive and significant effect on employee performance with a sig value of 0.005 ( $<0.05$ ). While non-financial compensation partially has no positive and significant effect on employee performance with a sig value of 0.295 ( $> 0.05$ ). As for simultaneously, financial compensation and non-financial compensation have a positive and significant effect on employee performance with a sig value of 0.000.

**Keywords:** *Financial Compensation, Non-Financial Compensation, Employee Performance, Kentucky Friend Chicken (KFC) restaurant*

### INTRODUCTION

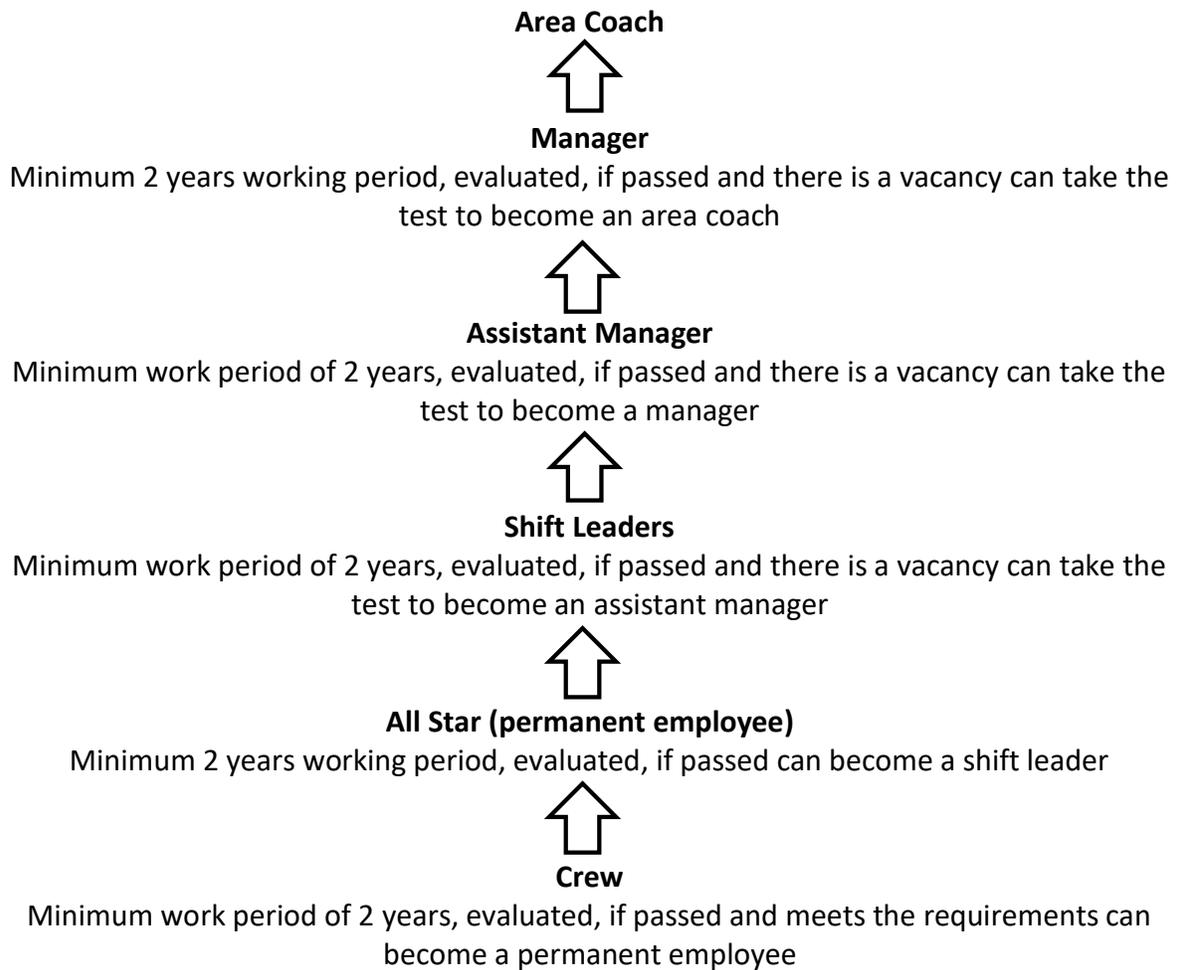
The company is an institution that is organized to provide goods and services to meet consumer demand. In carrying out the production process, a company needs production factors that can support the achievement of company goals, such as raw materials, capital, and people. Especially in the human factor, this factor plays a very important role in carrying out the production process (Dwianto, Purnamasari, & Tukini, 2019). Human Resources (HR) play a very important role in the company because it is humans who manage other resources in the company/organization so that they become useful.

Every Human Resources has many differences, such as skills, abilities, needs, and gender. Superior HR is HR that is able to compete with other companies so that the company's goals can be achieved. In order for the company's goals to be achieved, the company needs to provide compensation or rewards that are appropriate and fair to its employees so that they are more enthusiastic and motivated in carrying out their duties, such as giving compensation. According to Mangkunegara (2013), compensation for

employees has a strong impact on job satisfaction, work motivation, and work results. By providing compensation based on the type of work and the employee's job position, employees will feel satisfied at work. Companies must understand the factors that create job satisfaction for their employees and be able to provide appropriate compensation so that employees get job satisfaction and thus improve performance.

One company that has implemented a compensation program for its employees is the Pettarani Kentucky Friend Chicken (KFC) restaurant, Makassar City. This restaurant is located on Jalan Andi Pangeran Pettarani Makassar City, where this road is the center of the city with a long road that stretches from north to south. Along this road there are restaurants, shopping centers, hotels, hospitals, campuses, and other popular places.

KFC Pettarani provides compensation to its employees both financially and non-financially. As for the financial compensation given, such as salary bonuses, benefits and incentives. The payroll system provided by the KFC Pettarani restaurant to its employees is by transfer to each employee's account. As for providing non-financial compensation itself, KFC Pettarani employees get BPJS, facilities, leave, and career paths for employees. For the BPJS itself, KFC Pettarani pays its employees' BPJS contributions by directly deducting the employee's monthly salary. Meanwhile, to get leave, KFC Pettarani employees must become permanent employees and the requirement to become a permanent employee is a minimum of 2 years working at the KFC Pettarani restaurant. While leave is given to employees only 1 time in 1 week. Meanwhile, the career paths at KFC Pettarani can be seen in the flowchart below.



Based on this description, this study will focus on the effect of financial compensation and non-financial compensation on the performance of KFC Pettarani employees.

## **METHOD**

This type of research uses quantitative research with an associative approach. The research was conducted in October-November 2022. The place for this research was at the KFC Pettarani restaurant, Jalan Andi Pangeran Pettarani, Makassar City.

## **Population and Sample**

The population in this study were KFC Pettarani Managers and all KFC Pettarani employees, totaling 44 people. According to Arikunto (2010) if the total study population is less than 100 people, then the total number of research samples is taken.

The sampling technique used in this study is saturated sampling technique because the population used is relatively small. Therefore, the sample in this study is all of the

population taken, namely KFC Pettarani Managers and all KFC Pettarani employees, totaling 44 people.

## **Research Instruments**

### **1. Validity test**

Validity test is used to measure the validity or validity of the questionnaire. In determining whether an item is feasible or not, a correlation coefficient test is usually carried out. If the correlation of these factors is positive and the magnitude is 0.3 and above, the instrument used can be said to be valid (Sugiyono, 2014).

### **2. Reliability test**

Reliability test is used to measure the extent to which a measuring instrument can be trusted or relied on. According to Ghozali (2009) the research instrument is said to be reliable if Cronbach's alpha  $> 0.60$ . The reliability of a variable is said to be reliable if it has a Cronbach's alpha value of 0.60.

## **Data collection technique**

### **1. Questionnaire**

According to Sugiyono (2014) a questionnaire is an effective data collection technique if the researcher knows with whom the variable will be measured and what is expected of the respondent. Questionnaires are usually in the form of closed or open questions and can be given directly to respondents or sent via post or the internet.

### **2. Documentation**

Documentation in this study is to collect and record data related to the problems to be studied. These data can be obtained from books, papers, documents, internet articles, and others.

### **3. Observation**

Observations in this study were carried out by directly observing the research location, namely the KFC Pettarani restaurant, Makassar City.

## **Data analysis technique**

### **1. Classic assumption test**

The classical assumption test was carried out to test the quality of the research data. The classic assumption test used in this study includes the normality test, multicollinearity test, and heteroscedasticity test

## 2. Multiple linear regression analysis

Multiple linear regression analysis serves to determine the correlation between the dependent variable and the independent variable. The model for testing multiple linear regression analysis in this study is as follows:

$$Y = a + b_1 X_1 + b_2 X_2$$

Information:

Y = Employee performance

a = constant number (5%)

b<sub>1</sub> = Regression coefficient of financial compensation

b<sub>2</sub> = Regression coefficient of non-financial compensation

X<sub>1</sub> = Financial compensation

X<sub>2</sub> = Nonfinancial compensation

## 3. Test the coefficient of determination (r<sup>2</sup>)

The coefficient of determination test serves to explain how much the independent variable contributes to the dependent variable. Assessment of the coefficient of determination between zero and one. If the coefficient of determination has a value close to one, the independent variables provide almost all of the information used to predict the dependent variable and vice versa (Ghozali, 2013).

## 4. Hypothesis test (t test and f test)

The t test serves to determine the effect of each independent variable on the dependent variable. In this study using a significant level of 0.05 or  $\alpha = 5\%$ . H<sub>0</sub> is rejected when the p value < 0.05 which means the independent variable has a significant effect on the dependent variable. Conversely, if the p value > 0.05, then H<sub>0</sub> is accepted, which means that the independent variables do not significantly affect the dependent variable.

The f test serves to determine the effect of all independent variables on the dependent variable. In this study the level of  $\alpha$  is 5%. H<sub>0</sub> is rejected when f count < 0.05 which means that all independent variables affect the dependent variable. Conversely, if f count > 0.05 then H<sub>0</sub> is accepted.

## FINDING AND DISCUSSION

### Finding

His study uses a Likert scale with the highest weight in each statement is 4 and the lowest weight is 1 with a total of 44 respondents. To see the trend of answers chosen by respondents, it is necessary to classify the average value by determining the class interval for each class. Determination of this interval class is done by using the formula:

$$\text{Range} = \frac{\text{highest score} - \text{lowest score}}{\text{Range score}}$$

$$\begin{aligned}\text{Highest score} &= \text{number of samples} \times \text{highest weight} \\ &= 44 \times 4 \\ &= 176\end{aligned}$$

$$\begin{aligned}\text{Lowest score} &= \text{number of samples} \times \text{lowest weight} \\ &= 44 \times 1 \\ &= 44\end{aligned}$$

$$\text{Range score} = 4$$

So that:

$$\begin{aligned}\text{Range} &= \frac{\text{highest score} - \text{lowest score}}{\text{Range score}} \\ &= \frac{176 - 44}{4} \\ &= 33\end{aligned}$$

Range:

44-77	Very Poor
78-111	Bad
112-145	Fine
146-179	Very Good

**Table 1: Respondents' responses related to financial compensation variables**

Source: Processed SPSS output

No	Statement	Score				Amount	Indicator
		SD	D	A	TA		
		1	2	3	4		
1	The salary I have received so far is in accordance with the workload given		1	26	17	148	Very Good
2	The salary I have received so far is on time			21	23	155	Very Good
3	The incentives I have received so far have been in accordance with work performance			26	18	150	Very Good
4	The incentives I have received so far have been timely			23	21	153	Very Good
5	The bonuses I have received so far have been on time			24	20	152	Very Good
6	The allowance that I have received so far is in accordance with the responsibilities that I carry out			27	17	149	Very Good

Based on the table above, it can be seen that the average response of respondents regarding the items for each statement of the financial compensation variable is in the "very good" category. The statement that has the highest score is statement number 2 "The salary I have received so far is on time" with a score of 155. So it can be concluded that the salary given by the KFC Pettarani restaurant to its employees is on time and there are no delays..

The statement item that has the lowest score is statement number 1 "The salary I have received so far is in accordance with the workload given" with a score of 148. It can be seen that there is 1 respondent who "disagree", so it can be concluded that the salary received by KFC Pettarani employees during this is not in accordance with the workload given.

**Table 2: Respondents' responses related to non-financial compensation variables**

No	Statement	Score				amount	Indicator
		SD	D	A	TA		
		1	2	3	4		
1	I feel comfortable working in this restaurant			27	17	149	Very Good
2	Promotions make me more enthusiastic at work		2	26	16	146	Very Good
3	The facilities that I get have supported the process of carrying out the work			28	16	148	Very Good
4	The facilities that I get are in accordance with the required needs			28	16	148	Very Good

Source: Processed SPSS output

Based on the table above, it can be seen that the average response of respondents related to non-financial compensation variables is in the "very good" category. The statement that has the highest score is statement number 1 "I feel comfortable working in this restaurant" with a score of 149. So it can be concluded that employees feel comfortable working at the KFC Pettarani restaurant. statement item that has the lowest score is statement number 2 "Promotion makes me more enthusiastic at work" with a score of 146. It can be seen that there are 2 respondents who "disagree". So it can be concluded that promotion has not been able to influence employees to be more enthusiastic at work.

**Table 3: Respondents' responses related to employee performance variables**

No	Statement	Score				Amount	Indicator
		SD	D	A	TA		
		1	2	3	4		
1	Employees are able to complete work on time			4	40	172	Very Good
2	Employees can complete the work in accordance with the tasks given			27	17	149	Very Good
3	Employees always try to complete the work according to the target			21	23	155	Very Good
4	Employees are responsible for the tasks given		1	28	15	146	Very Good
5	Employees are always present on time according to the specified schedule			32	12	144	Good
6	Promotions spur employee performance to give the best at KFC Pettarani			21	23	155	Very Good

Source: Processed SPSS output

Based on the table above, it can be seen that the average Manager's response related to non-financial compensation variables is in the "very good" category and there is only 1 "good" category. The statement that has the highest score is statement number 1 "employees are able to complete work on time" with a score of 172 in the "very good" category. This means that KFC Pettarani employees are disciplined at work so that they can complete the work given by their superiors according to a predetermined deadline.

The statement item that has the lowest score is statement number 5 "Employees are always present on time according to the specified schedule" with a score of 144 in the "very good" category. So it can be concluded that the attendance of KFC Pettarani employees is still low and not right from the specified schedule. Furthermore, in item statement number 4 "Employees are responsible for the tasks assigned" which has a score of 146 and the KFC Pettarani manager stated that he disagreed with 1 of his employees. This means that the employee concerned is not responsible for the tasks given.

### 1. Normality test

The normality test is used to test whether the data is normally distributed or not. A regression model is said to be good if it has residuals that are normally distributed or at

least close to normal (Ghozali, 2013). The Kolmogorov-Smirnov statistical test is a method that can test the normality of the residuals at a significance level of 0.05. If the significance value is  $> 0.05$  then the data is said to be normally distributed, but if  $< 0.05$  then the data is not normally distributed. The normality test results can be seen in the table below.

**Table 4: Normality test results**

			Unstandardized Residual
N			44
Normal Parameters <sup>a,b</sup>	Mean		.0000000
	Std. Deviation		1.35343911
Most Extreme Differences	Absolute		.187
	Positive		.162
	Negative		-.187
Test Statistic			.187
Asymp. Sig. (2-tailed)			.000 <sup>c</sup>
Monte Carlo Sig. (2-tailed)	Sig.		.078 <sup>d</sup>
	99% Confidence Interval	Lower Bound	.071
		Upper Bound	.085

Source: Processed SPSS output

Based on the table above it is known that the significance value is 0.078. So it can be concluded that the data is normally distributed because the Kolmogorov-Smirnov value is greater than the value of 0.05.

## 2. Multicollinearity test

The multicollinearity test is used to determine whether there is a correlation between the independent variables or not. An appropriate regression model if there is no correlation between the independent variables. To find out whether a regression model has multicollinearity, it can be seen from the Variance Inflation Factor (VIF) and Tolerance. A regression model is said to be good if  $VIF < 10$  and tolerance  $> 0.10$ , and vice versa (Ghozali, 2013). The results of the multicollinearity test can be seen in the table below.

**Table 5: Multicollinearity test results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	13.563	1.568		8.651	.000		
	Financial compensation	.535	.181	.881	2.953	.005	.173	5.777
	Non financial compensation	-.272	.256	-.316	-1.061	.295	.173	5.777

Source: Processed SPSS output

Based on the table above, it is known that the VIF value of the variable financial compensation (X1) and non-financial compensation (X2) is 5,777 or less than the value of 10. The tolerance value is known to be 0.173 or more than the value of 0.10. So it can be concluded that the data does not have multicollinearity (there is no very high linear relationship between the independent variables).

### 3. Heteroscedasticity test

The heteroscedasticity test serves to determine whether in a regression model there is an inequality of residual variance from one observation to another. The regression model is said to be good if there is no heteroscedasticity. The results of the heteroscedasticity test can be seen below

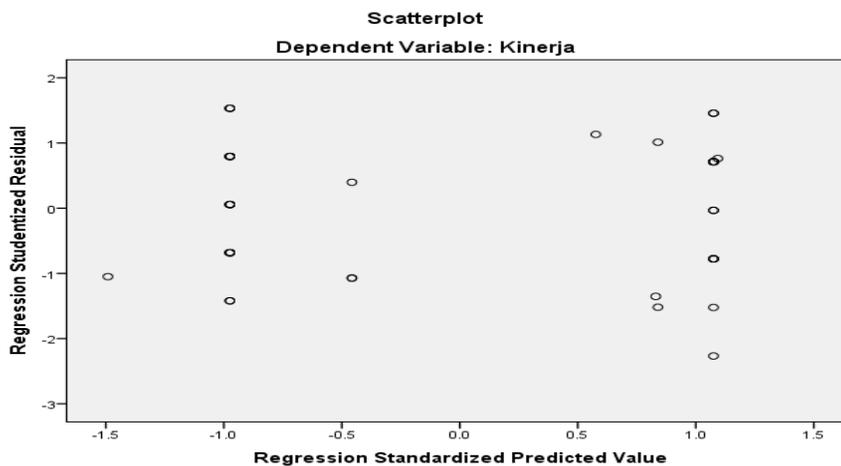


Figure 1: Scatter plot

From the picture above, it is known that the data scatter spreads randomly or the data scatter does not show a certain pattern. So it can be concluded that there is no heteroscedasticity in the residual.

#### 4. Multiple linear regression test

Multiple linear regression analysis serves to determine the effect of the independent variables on the dependent variable in this study. The results of the multiple linear regression test can be seen in the table below..

**Table 6: Multiple linear regression test results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.563	1.568		8.651	.000
	Financial compensation	.535	.181	.881	2.953	.005
	Non financial compensation	-.272	.256	-.316	-1.061	.295

Source: Processed SPSS output

Testing with the multiple linear regression method serves to test the effect of the independent variables, namely financial compensation (X1) and non-financial compensation (X2) on the dependent variable, namely employee performance. The multiple linear regression equation above can be written as follows.

$$Y = a + b_1X_1 + b_2X_2$$

$$Y = 13.563 + 0.535X_1 - 0.272X_2.$$

The multiple linear regression equation can be explained as follows.

From the results of this equation it is known that the value of a (constant) is 13,563, which means that the employee's performance of 13,563 will remain constant in value even though there is no addition of each independent variable. The value of b1 (regression coefficient value X1) is 0.535, indicating that for each additional unit of financial compensation variable (X1), performance will increase by 0.535. While the value of b2 (regression coefficient value X2) is -0.272, indicating that for each addition of one unit of non-financial compensation variable (X2), performance will decrease by 0.272..

#### 5. Test the coefficient of determination (r<sup>2</sup>)

The coefficient of determination test serves to explain how much the independent variable contributes to the dependent variable. Assessment of the coefficient of determination between zero and one. If the coefficient of determination has a value close to one, the independent variables provide almost all of the information used to predict the

dependent variable and vice versa (Ghozali, 2013). The results of the coefficient of determination test can be seen in the table below.

**Table 7: Coefficient of determination test results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.607 <sup>a</sup>	.369	.338	1.386

Source: Processed SPSS output

Based on the table above shows that the result of R Square is 0.369 or 36.9%. This means that 36.9% of the variation in the dependent variable, namely performance, can be explained by the two independent variables, namely the variables of financial compensation and non-financial compensation. While the remaining 63.1% is explained by other variables outside the research model.

## 6. T test

If the sign value < 0.05 or t count value > t table, then there is an effect of variable X on variable Y. Vice versa, if the sign value > 0.05 or t count value < t table, then there is no effect of variable X on variable Y. As for the formula for the t table is as follows.

$$T \text{ tabel} = t (a/2; n-k-1)$$

Information:

a= 0.05

n= number of respondents

k= number of independent

The results of the t test can be seen in the table below

**Table 8: T test results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.563	1.568		8.651	.000
	Financial compensation	.535	.181	.881	2.953	.005
	Non financial compensation	-.272	.256	-.316	-1.061	.295

Source: Processed SPSS output

By using a 95% confidence level, the value of t table can be seen with a = 0.05 : 2 = 0.025 with degrees of freedom (df) n-k-1 or 44-2-1 = 41 (n is the amount of data and k is the number of independent variables) . With 2 sides test (significance = 0.025). Therefore, the result of the t table is 2.019. So it can be concluded that partially the financial compensation variable has a positive and significant effect on employee performance. This is known

because  $t \text{ count} > t \text{ table}$  ( $2,953 > 2,019$ ) and  $t$  is significant  $0.005 (<0.05)$  so that  $H_0$  is rejected and  $H_a$  is accepted. The non-financial compensation variable has no effect on employee performance. This is because  $t \text{ count} < t \text{ table}$  ( $-1.061 < 2.019$ ) and  $t$  is significant  $0.295 (> 0.05)$  so that  $H_0$  is accepted and  $H_a$  is rejected.

### 7. F test

If the sign value  $< 0.05$  or the calculated  $f$  value  $> f$  table, then there is an effect of variable  $X$  on variable  $Y$ . And vice versa, if the sign value is  $> 0.05$  or the calculated  $f$  value  $< f$  table, then there is no effect of variable  $X$  on variable  $Y$ . As for the formula for  $f$  table is as follows.

$$F \text{ tabel} = F (k; n-k)$$

Information:

$n$  = number of respondents

$k$  = Number of independent variables (variable  $X$ )

The results of the  $f$  test can be seen in the table below

**Table 9: F test results**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	46.028	2	23.014	11.979	.000 <sup>b</sup>
Residual	78.767	41	1.921		
Total	124.795	43			

Source: Processed SPSS output

The value of  $f$  table can be seen by  $n-k$  or  $44-2 = 42$  ( $n$  is the amount of data and  $k$  is the number of independent variables). Therefore, the results of the  $f$  table are  $3,220$ . So it can be concluded that simultaneously the variables of financial compensation and non-financial compensation have a positive and significant effect on employee performance. This is because  $f \text{ count} > f \text{ table}$  ( $11,979 > 3,220$ ) and  $f$  is significant  $0,000 (<0.05)$  so that  $H_0$  is rejected and  $H_a$  is accepted.

## DISCUSSION

This study aims to determine the effect of financial compensation ( $X_1$ ) and non-financial compensation ( $X_2$ ) on employee performance ( $Y$ ) either partially or simultaneously. This research was conducted at the KFC Pettarani restaurant, Makassar City. The number of respondents studied was 44 KFC Pettarani employees.

### 1. Effect of financial compensation on employee performance

Providing financial compensation is very important for employees and the company because it is one of the motivations for employees to improve their performance so that it will also affect the achievement of company goals. Therefore, this study aims to determine whether there is an effect of financial compensation on the performance of KFC Pettarani employees.

Based on the results of the t test, it is known that the calculated t value for the financial compensation variable (X1) is 2.953 whereas it was previously known that the t table value was 2.019 ( $<2.953$ ) and the significant value for the financial compensation variable was 0.005 ( $<0.05$ ). Therefore, it can be concluded that partially financial compensation has a positive and significant effect on the performance of KFC Pettarani employees. This shows that the first hypothesis is proven that partially financial compensation has a positive and significant effect on employee performance. That is, if the provision of financial compensation given to employees is getting better, it will make employees more enthusiastic at work so that employee performance will also increase. The results of this study are supported by empirical evidence from previous studies examined by Fauzi (2014) which explains that financial compensation has a positive and significant effect on employee performance at PT. Main Trakindo Samarinda.

KFC Pettarani provides financial compensation to its employees in the form of salaries, bonuses, incentives and benefits. The payroll system provided by the KFC Pettarani restaurant to its employees is by transferring to the account of each KFC Pettarani employee.

Based on the respondents' responses regarding the financial compensation variable statement item number 2, it shows that the KFC Pettarani restaurant has a good employee payroll system because the average employee states that the salary he has received so far has been on time and has not experienced any delays. This is because the system makes it easy for employees to get the right amount of salary in a timely manner. If employee salaries are given on time, employees will be enthusiastic at work so that employee performance will also increase and can spur the development of the KFC Pettarani restaurant.

In this study, not all respondents agreed that the financial compensation provided by the KFC Pettarani restaurant was in accordance with their expectations. It can be seen that there was 1 respondent who disagreed with statement number 1 "The salary I have received so far is in accordance with the workload given". This is because the portion of work given by the employee concerned exceeds the limit, forcing the employee to work overtime. The amount of workload given that is not balanced with the salary makes the employee concerned less enthusiastic at work. In fact, if the workload is balanced with salary, it will make employees more enthusiastic and motivated at work so that employees can complete the tasks given according to a predetermined time limit. Even so, the answers "agree" and "strongly agree" are still more dominant in this statement, namely 43 people, which means that the salary received so far is in accordance with the workload given.

## **2. The effect of non-financial compensation on employee performance**

Providing non-financial compensation is no less important for employees because it is one way to retain employees who have good performance and who are loyal to the company. Therefore, this study aims to determine whether there is an effect of non-financial compensation on the performance of KFC Pettarani employees.

Based on the calculated t value for the non-financial compensation variable (X2) is -1.061 ( $<2.019$ ) and the significant value for the non-financial compensation variable (X2) is

0.295 ( $>0.05$ ). So it can be concluded that non-financial compensation partially does not affect the performance of KFC Pettarani employees. This shows that the second hypothesis which states that partially non-financial compensation has a positive and significant effect on employee performance is not proven. This indicates that KFC Pettarani employees do not really care about non-financial compensation compared to financial compensation. The results of this study are supported by empirical evidence from previous studies examined by Fauzi (2014) which explains that non-financial compensation has no effect on employee performance at PT. Main Trakindo Samarinda.

KFC Pettarani provides non-financial compensation to its employees in the form of BPJS, facilities, leave and promotions for employees. For the BPJS itself, KFC Pettarani pays its employees' BPJS contributions by directly deducting the employee's monthly salary. Meanwhile, to get leave, KFC Pettarani employees must become permanent employees and the requirement to become a permanent employee is a minimum of 2 years working at the KFC Pettarani restaurant. Leave is given to employees only 1 time in 1 week. The promotions given by KFC Pettarani to their employees are:

1. Crew, minimum 2 years working period, evaluated, if passed and meets the requirements can become an All star (permanent employee).
2. All star (permanent employee), in charge of all employee job positions or mastering all work systems. Minimum work period of 2 years, evaluated, if passed can become a shift leader.
3. Shift leaders, responsible for the implementation of the work schedule of each section. Minimum 2 years working period, evaluated, if passed and there is a vacancy can take the test to become an assistant manager.
4. Assistant manager, assisting the manager's duties and carrying out the achievement of restaurant-level sales targets. Minimum 2 years working period, evaluated, if passed and there is a vacancy can take the test to become a manager.
5. Managers, tasked with assigning tasks and jobs to employees on duty at the time, carrying out sales target achievement, providing training to employees, maintaining, maintaining, improving the company's image and being responsible for the running of restaurant operations. Minimum 2 years working period, evaluated if passed and and there is a vacancy can take the test to become an area coach (area manager). Area coach is a position that already holds several KFC regions/branches

Based on the respondents' responses regarding the non-financial compensation variable statement item number 1, it shows that KFC Pettarani employees feel comfortable working in this restaurant. This is because KFC Pettarani also provides non-financial compensation to its employees such as BPJS, facilities, leave and promotions for employees. Apart from that, the coworkers of fellow employees are also very pleasant and good bosses who are very close to their employees so that they make employees feel comfortable working at the KFC Pettarani restaurant..

In this study, there were 2 respondents who disagreed with statement number 2 "Promotion makes me more enthusiastic at work". This is because the 2 employees concerned have worked at the KFC Pettarani restaurant for 5 years but have not yet

received a clear career path. As previously known, one of the requirements for KFC Pettarani employees to get a promotion is a minimum of 2 years working at the restaurant. Even though the company can optimize the performance of its employees through promotion so that employees can be motivated and enthusiastic at work. This is also in line with the theory put forward by Nitisemito (2002) that promotion is a move from one job to another, which is higher. Employees who get the opportunity to be promoted by the company in accordance with the principles of fairness and effectiveness, then employees will be motivated to work, enthusiastic, disciplined and achieve so that the company's goals can be achieved optimally.

Even so, the answers "agree" and "strongly agree" are still more dominant in this statement, namely 42 people, which means that a promotion at KFC Pettarani affects employees to be more enthusiastic at work.

### **3. Effect of financial compensation and non-financial compensation on employee performance**

From the results of the calculation of the f test it is known that the calculated f value is 11,979 whereas it was previously known that the f table value was 3,220 (<11,979) and a significant f value was 0,000 (<0.05). So it can be concluded that simultaneously or simultaneously financial compensation and non-financial compensation have a positive and significant effect on employee performance. That is, the third hypothesis which states that simultaneously financial compensation and non-financial compensation have a positive and significant effect on employee performance can be accepted or proven. The results of this study are supported by empirical evidence from previous research conducted by Ariskha, Siregar, and Isnaniah (2020) which explains that financial compensation and non-financial compensation have a positive and significant effect on the performance of Pt employees. Jaya Beton Indonesia Medan Branch.

From the test results of the coefficient of determination (R<sup>2</sup>) it is known that financial compensation and non-financial compensation have an effect of 0.369 or 36.9% on the performance of KFC Pettarani employees. While the remaining 63.1% is explained by other variables outside of this study.

Based on the KFC Pettarani manager's response regarding the employee performance variable statement item number 4 "Employees are responsible for the tasks assigned", the KFC Pettarani manager stated that he disagreed with 1 of his employees. This is because the employee concerned does not show discipline in work, such as not being on time in completing tasks given by superiors. Even though by having responsibility for the tasks given by superiors, employees will be valued by the company. Even so, the answers "agree" and "strongly agree" are still more dominant in this statement, namely 43 people, which means that employees are responsible for the tasks assigned.

## CONCLUSION

Based on the results of the research and discussion above, it can be concluded that:

1. Partially, financial compensation has a positive and significant effect on the performance of KFC Pettarani employees
2. Partially, non-financial compensation has no significant effect on the performance of KFC Pettarani employees.
3. Simultaneously financial compensation and non-financial compensation have a positive and significant effect on the performance of KFC Pettarani employees

## RECOMMENDATION

Based on the concluded results, there are several suggestions that can be given by researchers for companies and subsequent research, namely:

1. The KFC Pettarani restaurant needs to pay more attention and increase the provision of financial compensation to its employees, such as salaries that must match the workload so that employees are more enthusiastic and motivated at work. The KFC Pettarani restaurant again needs to adjust employee salaries appropriately, such as considering the length of service of employees, providing the same salary or not too low compared to competitors so that KFC Pettarani employees can survive.
2. The KFC Pettarani restaurant needs to pay more attention and increase the provision of non-financial compensation to its employees, such as promotions. This can be done by providing clear career paths to loyal employees. With a clear career path, employees who are highly loyal will be more motivated and enthusiastic at work so this will also have an impact on the development of the KFC Pettarani restaurant.
3. Future researchers are expected to be able to continue and develop more in-depth research on financial compensation and non-financial compensation that affect employee performance.

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