

THE EFFECT OF FINANCIAL AND NON-FINANCIAL COMPENSATION ON EMPLOYEE PERFORMANCE DURING COVID-19

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Abstract: The 2019 coronavirus pandemic (COVID-19) is a disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Positive cases of COVID-19 began to be found in Indonesia on March 2, 2020. Now it has spread to 34 Provinces in Indonesia with DKI Jakarta, East Java, and Central Java as the most exposed provinces. To date, there are 287,008 positive cases in Indonesia, 214,947 people recovered from Covid-19, and 10,740 died. The impact of Covid-19 also has an impact on the banking sector, including Islamic banking in Indonesia. Bank BJB Syariah is one of the banks that experienced the impact during the COVID-19 pandemic. BJBS is facing a decrease in organizational productivity to employee performance. The purpose of this study was to determine the effect of financial and non-financial compensation on employee performance during COVID-19. This type of research is a quantitative method with a population of 231 people and a sample of 149 respondents. The data analysis technique used is multiple linear regression analysis. The results showed that the financial and non-financial compensation variables had a significant effect on employee performance at BJB Syariah Head Office.

Keywords: Financial Compensation, Non-Financial Compensation, Employee Performance, COVID-19

INTRODUCTION

The Coronavirus Pandemic (COVID-19) is a disease caused by severe acute respiratory syndrome (SARS-CoV-2). This disease spreads from China to all corners of the world and the virus can be transmitted through droplets. COVID-19 began to spread in Indonesia on 02 March 2020, when two people were confirmed to be infected. After this positive case on April 09, the pandemic spread to 34 provinces in Indonesia with DKI Jakarta, East Java, and Central Java as the most exposed provinces. Now, positive cases in Indonesia are 287.008, people recovered from COVID-19 are 214.947, and 10.740 have died.

Data Sebaran

Global	Indonesia
Negara 216	Positif 287.008
Terkonfirmasi 17.660.523	Sembuh 214.947
Meninggal 680.894	Meninggal 10.740
Update Terakhir: 02-08-2020 Sumber: WHO	Update Terakhir: 30-09-2020

Figure 1. COVID-19 Cases In Indonesia
Source: <https://covid19.go.id> (2020)

From WHO data in terms of mortality rates, Indonesia ranks second in Southeast Asia.












Name	Cases - cumulative total	Cases - newly reported in last 24 hours	Deaths - cumulative total	Deaths - newly reported in last 24 hours	Transmission Classification
Global	33,502,464	242,223	1,004,422	4,241	
 India	6,225,763	80,472	97,497	1,179	Clusters of cases
 Indonesia	282,724	4,002	10,601	128	Community transmission
 Bangladesh	362,043	1,488	5,219	26	Community transmission
 Nepal	76,258	1,513	491	10	Clusters of cases
 Myanmar	12,425	794	284	28	Clusters of cases
 Thailand	3,564	5	59	0	Clusters of cases
 Maldives	10,194	37	34	0	Clusters of cases
 Sri Lanka	3,374	11	13	0	Clusters of cases
 Democratic ...	0	0	0	0	No cases
 Timor-Leste	28	0	0	0	Sporadic cases
 Bhutan	281	1	0	0	Sporadic cases

Figure 2. COVID-19 Cases In Southeast Asia
 Source: WHO Coronavirus Disease (COVID-19) 2020

From these data, it can be concluded in response to the pandemic several areas have imposed Pembatasan Sosial Berskala Besar (PSBB). Some of these areas have ended the PSBB period and started to implement The New Normal.

COVID-19 make all economic activities in all countries are affected. Because, all economic activities are hampered, as evidenced by a decrease in the flow of tourism, disruption of air travel, and weakening confidence consumers and business, because several countries have imposed a lockdown, people are self-quarantining, all ordering anything online, temporary business closures and travel restrictions to withhold COVID-19 is spreading massively. (Economic Impact of COVID-19 Outbreak on ASEAN, 2020). The impact of COVID-19 also has an impact on the banking sector, including Islamic banking in Indonesia. Islamic banking operates without relying on interest but operates on a profit-sharing and margin system. So, if economic conditions are

in good condition, Islamic banks will get big profits. Meanwhile, if the economic condition is unstable and even threatened, such as the occurrence of COVID-19, customers will experience a decrease in income. The bank's obligation to provide profit sharing will adjust to economic conditions with the income earned. This condition will affect the productivity of the organization and the implementation of efficient strategies for layoffs (Termination of Employment). This is considered because the company needs to survive with external conditions that are uncertain when it will improve.

BJB Syariah (BJBS) is one of the banks that experienced the impact during the COVID-19 pandemic. BJBS is facing a decrease in organizational productivity to employee performance.

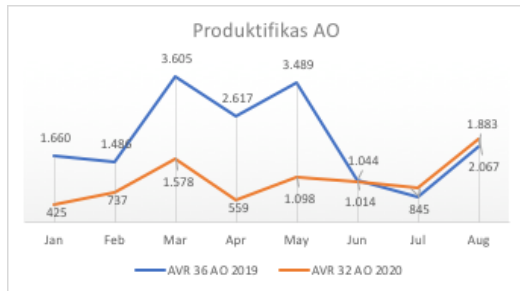


Figure 3. Employee Performance During COVID-19

Source: Data from BJB Syariah Head Office

The productivity of the Account Officer (AO) is the result of a comparison between the expansion rate and the amount of AO in that year. In the graph, it can be seen that the AO in 2020 was 32 people, smaller than in 2019 of 36 people. However, with the pandemic, the productivity of AO in 2020 decreased compared to 2019. This happened due to several policies during the pandemic that hampered BJBS's business activities, namely due to the existence of PSBB and WFH so that the limitations of the marketing process, the decline in the business economy, and more AO proposing a restructuring of customers affected by COVID-19.

Besides that, the existence of the PSBB made AO unable to do a business trip. Where this compensation is given to AO to find customers by visiting. So that there was a reduction in official business trip compensation which resulted in AO being unable to make visits while the PSBB was taking place. Reduction of business trip compensation by 60% from normal conditions. The reduction in compensation for this AO runs from March. So that marketing revenue also reduces the impact of the PSBB and a reduction in official business trip compensation. In addition, due to the implementation of WFH (Work From Home), there is no financial compensation in the form of overtime pay even though employees continue to work outside of normal working hours. Also, they do not get food allowance because the budget is diverted to employees who implement WFO (Work

From Office). So this matter greatly affects employee performance with some compensation that does not apply when the PSBB and WFH are in progress.

In research (Purwanto et al., 2016) Of the two independent variables, the financial compensation variable has the highest coefficient. This means that the financial compensation variable is able to increase employee performance the most compared to the non-financial compensation variable. From these studies, simultaneously financial and non-financial compensation can improve employee performance. In a study by (Samudra, 2014) that direct financial compensation has the largest t value and beta coefficient. So that the direct financial compensation variable has the strongest influence compared to other variables, the direct financial compensation variable has a dominant influence on performance. And research conducted by (Marliani et al., 2016) also concludes that financial compensation, both directly and indirectly, partially affects employee performance.

With this problem and the theories also referring to several previous studies, we conducted an analysis through this report on BJBS with the title "The Effect of Financial and Non-Financial Compensation on Employee Performance During COVID-19". This research focuses on the case study of the head office employees of BJB Syariah.

METHODS

This type of research is quantitative. Quantitative research is research by obtaining numerical data or extrapolated qualitative data (Sugiyono, 2013). This study aims to determine the effect of financial compensation (X1) and financial compensation (X2) on employee performance (Y) during COVID-19. The research object is the head office of BJBS employees.

The Population is a generalization area consisting of: Objects/subjects that have certain qualities and

characteristics that are determined by the author to be studied and conclusions are drawn (Sugiyono, 2012). In this study, the population was 231 employees of BJBS headquarters. The sample is part of the number and characteristics of the population. Nonprobability sample sampling technique. While the sample taken was 149 respondents with data collection techniques using a questionnaire.

The data analysis in this study is multiple linear regression. Multiple linear regression analysis will be carried out if the number of independent variables is at least 2 (Sugiyono, 2012). In this study, the independent variables studied were financial compensation and non-financial compensation. This study uses linear regression analysis because it measures the effect of the variables by predicting how the dependent variable is (fluctuating) when the independent variable is (its value increases and decreases). Multiple linear regression analysis was performed with the help of SPSS software. In addition, descriptive analysis was carried out in this study. Descriptive statistics such as mean,

median, percentile mode, decile, quartile in the form of numerical analysis or figures or diagrams. In the descriptive analysis, the study was for each variable (Sujarweni, 2015).

RESULTS AND DISCUSSION

Descriptive analysis is used to describe the data from respondents' answers regarding the variables in this study, including financial compensation, and employee performance. The following is a description of BJBS on head office employees steps on the variable financial compensation and non-financial compensation.

Table 1. Description of Respondents Answers on Financial Compensation

Item Code	Financial Compensation Variables						Category
	SS	S	N	TS	STS	Score	
KF1	37	78	29	2	3	591	Good
KF2	17	72	53	5	2	544	Good
KF3	18	64	53	12	2	531	Good

Source: Data that has been processed by the author (2020)

Based on Table 1, information can be obtained that in general the total score is categorized as good. This means explaining that BJBS employees when the COVID-19 conditions took place that the financial compensation provided by the company was good. Financial compensation made by BJBS during COVID-19 by the company

provides quotas for activities related to work during WFH. And also, the base salary has not changed during the pandemic. On the other side, food allowance is given some benefit for the employee to have to do WFO.

Table 2. Description of Respondents Answers on Non-Financial Compensation

Non-Financial Compensation Variables							
Item Code	SS	S	N	TS	STS	Skor	Category
KNF1	23	67	40	17	2	539	Good
KNF2	26	55	42	20	6	522	Good
KNF3	16	66	57	10	0	535	Good

Source: Data that has been processed by the author (2020)

Based on Table 2, information can be obtained that in general the total score is categorized as good. This means explaining that BJBS employees when the COVID-19 conditions took place that the non-financial compensation provided by the company

was good. Non-financial compensation during WFH is by giving employees access to use operational cars to reduce interactions using public transportation. Then, provide facilities in the office according to the COVID-19 protocol.

Table 3. Description of Respondents Answers on Employee Performance

Employee Performance Variables							
Item Code	SS	S	N	TS	STS	Skor	Category
KK1	30	62	48	9	0	560	Good
KK2	45	70	32	2	0	605	Good
KK3	44	71	30	4	0	602	Good
KK4	38	76	31	4	0	595	Good

Source: Data that has been processed by the author (2020)

Based on Table 3, information can be obtained that in general the total score is categorized as good. This means explaining that BJBS employees when the COVID-19 and WFH conditions took place that their performance was good. To maintain employee performance, HRD management always monitors the work of employees using the KPI (Key Performance Indicator) measure every day. Also, reports are provided to the head of each division/unit.

From the description of each variable in the respondent's answer, the next step is to test using multiple linear regression analysis. Obtained the following data processing results:

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.676	1.133		6.774	.000
	JML_KompensasiFinansial	.238	.104	.186	2.281	.024
	JML_KompensasiNonFinansial	.515	.102	.412	5.046	.000

a. Dependent Variable: JML_KinerjaKaryawan

Figure 4. Output SPSS

Source: Data that has been processed by the author from SPSS (2020)

Based on the results of the SPSS output in Figure 5, it can be explained in the following equation:

$$Y = 7.676 + 0,238X_1 + 0,515X_2$$

From these figures, it can be concluded that:

The constant value (a) is 7.676, meaning that if the value of financial compensation and non-financial compensation is 0, then the employee's performance is 7.676.

The regression coefficient value of the financial compensation variable (b1) is positive, namely 0.238 in the sense that if each increase in financial compensation is 1 unit, it will increase employee performance.

The regression coefficient value of the non-financial compensation variable (b2) is positive, namely 0.515 in the sense that if each increase in non-financial compensation is 1 unit, it will increase employee performance.

Meanwhile, to see the effect using the T-test obtained in Table as follows:

Table 4. T-Test

Variable	t-Hitung	t-tabel	Sig
Financial Compensation	2,281	1,960	0,024
Non-Financial Compensation	5,046	1,960	0,000

Source: Data that has been processed by the author (2020)

So from the calculation results, it can be concluded that

Financial compensation partially affects employee performance (t hitung > t table & Sig <0.05 probability)

Non-financial compensation has a partial effect on employee performance (t hitung > t table & Sig <0.05 probability)

CONCLUSION

Financial compensation provided to BJBS employees in the form of fixed salaries, additional quota to support facilities during WFH, and food allowance for those who carry out WFO activities. Meanwhile, non-financial compensation is in the form of health protocol facilities in the office to prevent COVID-19 for employees who carry out WFO and provide access to operational cars that can be used for employee commuting. Based on the results of statistical calculations, it is concluded that it is proven that Financial and Non-Financial Compensation during COVID-19 affects the performance of BJBS on head office employees. In statistical

calculations, it is found that the greatest number of significance is on the non-financial compensation variable. This shows that non-financial compensation has a dominant effect on the performance of BJBS employees at the head office. So, it is recommended that BJBS provide non-financial compensation such as facilitating electronic equipment needed during WFH, free laptop service, rewarding exemplary employees at WFH with prizes for shopping for necessities, and improving health facilities such as financing rapid & swab test for employees who work in the field or those with high intensity who meet many people. This is expected to improve employee performance.

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