

# **The Effect Of Financial Compensation And Nonfinancial Compensation To Work Productivity**

## **ABSTRACT**

PT. Berdikari Meubel Nusantara are engaged in the furniture industry. Wood and rattan are the main raw material as a production input factors. PT. Berdikari Meubel Nusantara is group of industrial products exports were included in the national top 10 export commodities. In the face of globalization competition, employee productivity is a key to answer the challenges of the future.

This study seek to examine the applied of compensation performance on PT Berdikari, and to investigate the role of financial and non-financial compensation in improving the employee productivity on PT Berdikari.

Data were collected through quistionnaires distributed to 60 employees . The 60 employees was selected based on census. The result showed that question item on quistionnaire was constructed (critical  $r$ - 0,254) and reliable ( $>0,6$ ) to measuring the variable.

The result of multiple linear regression test using SPSS version 19.0 showed that there is significant simultanly effect of compensation and non-compensation financial on the effectivity of work productivity by as much as 47,19%. Non-financial is the only independent variable that have affected partially to the work productivity performance.

The research suggest to increase work productivity by non-financial compensation. In order to increase employees productivity, the company should have consider that the employees will productive when they has stimulated by health care policy. The financial assessment is important to ensure finansial compensation at descriptive analysis will make positive contribution for productivity of Company.

**Key Word** : Financial Compensation, Nonfinancial Compensation, Employee Productivity, Multiple Linear Regression.