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## The Influence of Financial Compensation on the Performance of Daily Workers at the Laguna Resort and Spa Nusa Dua, Bali

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### ARTICLE INFO

*Keywords:* Human Resources, Financial Compensation, Performance, Daily Worker

*Received* : 3 June

*Revised* : 19 June

*Accepted* : 23 July

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### ABSTRACT

The development of regulations, policies and strategies applied by The Laguna Resort and Spa Nusa Dua, Bali by providing additional financial compensation in the form of service charges to daily workers which are not applied by hotels in general. The assessment of this decision is certainly important to determine the effect of financial compensation on the performance of the daily workers. This study successfully identified and observed items of financial compensation that affect the performance of daily workers, namely related to the fulfillment of basic wages, adjustment of basic wages, provision of service charges, safety benefits and provision of adequate work tools. Financial compensation has a positive and significant effect with a value of 53.3% on the performance of the daily workers, where the service charge is the most influential item of financial compensation in improving performance. Meanwhile, the increase in work productivity shown through the level of attendance at work every month is the highest item affected by financial compensation. In addition, the increase in daily worker performance is also influenced by other variables not examined in this study

## INTRODUCTION

Quality human resources tend to have better performance as well, according to Susiani & Suyuthie (2020) Optimal employee performance will be a target for a company as an important key for the company to achieve company goals and targets to the maximum. It is also stated that performance is an illustration of the level of achievement of results on the implementation of a work operational activity. Performance appraisal here as a method and process of assessing the implementation of tasks (Performance) of a person or group of people and / or work units in a company or organization in accordance with established performance standards or objectives.

The components of human resources in hotels are very diverse, ranging from permanent employees, contracts to daily workers and trainees. The Laguna Resort and Spa Nusa Dua, Bali is one of the 5 (Five) star hotels in the Nusa Dua area whose existence can be said to have a high intensity on the use of daily worker services. According to the Human Resource Manager, this is due to the ease of making and breaking work contracts as needed, the low costs incurred and indeed the hotel requires additional labor in certain work periods.

In 2022 from January to December, The Laguna always uses the services of daily workers, the least number of daily workers is 14 people in January to March, then the highest number of daily workers is 109 people in November. If averaged, then Laguna has 63.56 daily workers every month and it can be said that Laguna has a high intensity to choose daily workers to help hotel operations.

In the daily worker work agreement at The Laguna itself, there is one agreement that regulates the rules of working days and holidays. The rules state that "Working time is 8 hours a day and 40 hours a week". This is equal to 5 working days and 2 days off, and in one month should work for 20 days only. The average number of working days per month is 23.25 with an average overtime of 1.35. The

lowest number of working days in 2022 is in June with an average of 20 working days with a total of 51 workers, while the highest number of working days is in March with 26 working days with only 14 workers. Other than these months, the average number of working days is more than 20 in a month.

Rewards are seen as one of the challenges that must be faced by the management of a company/organization. The rewards received by employees are usually called compensation which can be categorized into two categories, namely financial and non-financial compensation. This is in line with what Hasibuan stated in Winata et al. (2016) which states that compensation can be grouped into direct financial compensation and non-financial compensation, it is also stated that service charges or wages in the form of incentives as described above are included in direct financial compensation.

Generally, hotels in the Nusa Dua area, especially ITDC, provide financial compensation without providing incentives in the form of service charges to daily workers. However, The Laguna Resort and Spa gives daily workers the right to get an insertive in the form of a service charge. In order to follow the Literature Standard Operational Procedure (LSOP) from Marriott International starting in September Laguna provides a 5% service charge to daily workers.

The Laguna has 2 types of daily worker contracts, namely with a 3-month contract totaling 92 people and 17 people on a 1-month contract. The existence of daily workers is said to be very helpful for hotel operations. The department that has the most daily workers is the housekeeping department with 23 daily workers, then the least is in the finance department which has only 1 daily worker. The performance of daily workers is always evaluated by each outlet leader up to the department head which is then reported to the Human Resource Department which can be seen in table 1.

Table 1. Daily Worker Logbook July - December 2022

Department	Guest Complaint	Late	Not able to adapt	Target Not Achieve	Guest Compliment	Achievement
Engineering	0	4	3	4	0	0
Steward	0	1	1	2	0	0
FB Service	4	8	0	6	6	3
Housekeeping	2	10	4	8	4	2
Loss Prevention	1	4	0	2	0	0
Finance	0	2	0	3	0	0
Culinary	0	6	2	2	0	1
Recreation	0	2	3	2	1	0
<b>Total</b>	<b>7</b>	<b>37</b>	<b>13</b>	<b>29</b>	<b>11</b>	<b>6</b>
<b>Average</b>	<b>1,1</b>	<b>6,1</b>	<b>2,1</b>	<b>4,8</b>	<b>1,8</b>	<b>1</b>

Sumber: Human Resource the Laguna Resort and Spa, 2023

The records obtained by daily workers in the period of one semester, from July to December, vary from good to bad records. It is known that the most common record is tardiness, which was recorded 37 times. The outlet manager also noted that the tardiness of daily workers was recorded with an average of 6.1 times a month. Then the lowest data is the achievement in the competition, where there are 4 achievements that have been obtained in the competition representing the hotel in several existing events.

This phenomenon shows that the performance of daily workers has a problem which greatly affects productivity, work efficiency and customer satisfaction. This is supported by the results of research conducted by Wahyuningsih (2018) which explains that there is a significant influence between employee performance on employee productivity.

The new program from hotel management regarding the distribution of financial compensation in the form of service charges to daily workers is certainly expected to have an influence on improving the performance of daily workers. Referring to the phenomenon that has been described, the hotel has given more rights to daily workers that are not given by other hotels in the Nusa Dua area. Still, more bad performance records compared to good records are a problem, which is inversely proportional to the expectations and objectives of providing financial compensation.

Providing service charges in addition to daily workers is indeed the first time done by The Laguna Resort and Spa Nusa Dua, Bali. The whole phenomenon makes it relevant to conduct further research to test and analyze "The Influence of Financial Compensation on the Performance of Daily Workers at The Laguna Resort and Spa, Nusa Dua Bali".

## METHODS

This study uses quantitative research methods, to determine the effect of service charge on the performance of daily workers at The Laguna Resort and Spa, Nusa Dua, Bali. The sample of this study were daily workers with a continuous 3-month contract with a total of 90 people spread across all departments of The Laguna Resort and Spa, Nusa Dua, Bali. Financial Compensation as an independent variable adopts from the research of Beede Emerole & Ogbu Edeh (2019). The dependent variable in this study adopts the dimensions and indicators / research items from Anisya (2021). The scale will be grouped into items in the form of statements that support and do not support or show the measured attributes. The scale used in this study is a Likert scale which is a scale consisting of four

answer choices which include SA (Strongly Agree), A (Agree), D (Disagree) and SD (Strongly Disagree).

## RESULTS AND DISCUSSION

The data shows (Table 2) that respondents consist of male and female gender. Male gender is more than female with a total of 73 people (81.1%). While respondents with female gender were 17 people (18.9%). Based on this explanation, it can be concluded that the respondents in this study were dominated by male respondents. This happens because the daily worker positions available predominantly require male labor compared to women to support hotel operations, especially for personnel in housekeeping, steward, engineering, and in food & beverage service.

Table 2. Respondent Data Based on Gender

No.	Gender	Respondent	
		Number	Percentage(%)
1	Male	73	81,1
2	Female	17	18,9
Total		90	100

Source: Data Processed, 2023

The presented data in Table 3 shows that based on the level of education, respondents are divided into three categories of education levels. Respondents were dominated by the Education Level as a diploma with a total of 35 people (38.9%), then respondents with the Education Level as SMA / SMK equivalent amounted to 28 people (31.1%) and the least was with the

Education Level as a bachelor totaling 27 people (30%). The Human Resource Manager said this happened because The Laguna started looking for the quality of its workforce based on the level of education as one of its benchmarks. Tarwiyah et al., (2022) state that, the level of education affects the work experience that is owned, because a high level of education tends to have good work as well

Table 3. Characteristics of Respondents Based on Education Level

No.	Education	Respondents	
		Person	Percentage(%)
1	High School	28	31,1
2	Diploma	35	38,9
3	Bachelor	27	30,0
Total		90	100

Sourace: Processed Data, 2023

Table 4. shows that respondents were dominated by respondents with a tenure of 4 to 6 months with a total of 48 people (53.3%), then respondents with a tenure of 6 to 12 months as many as 30 people (33.3%), then respondents with a tenure of 1 to 3 months as many as 7 people (7.8%) and finally respondents with a tenure of more than 1 year as many as 5 people (5.6%). Based on this explanation, it can be concluded that the respondents in this study

were dominated by respondents with a work period of 4 to 6 months. Characteristics based on length of service occur in the field because The Laguna Resort and Spa Nusa Dua, Bali recruited daily workers since the pandemic transition period which has only been going on for less than a year and is tailored to the needs of the department, which causes these characteristics to occur.

Table 4. Characteristics of Respondents Based on Tenure

No.	Tenure	Respondent	
		Number	Percentages (%)
1	1-3 months	7	7,8
2	4-6 months	48	53,3
3	6-12 months	30	33,3
4	> 1 year	5	5,6
Total		90	100

Source: Processed Data, 2023

Respondents came from eight departments (Table 5). Respondents were dominated by the origin of the housekeeping department as many as 23 people (25.6%), then respondents with the origin of the food & beverage department as many as 17 people (18.9%), then respondents with the origin of the steward department as many as 15 people (16.7%), then respondents with the origin of the

engineering department as many as 14 people (15,6%), then respondents with the origin of the culinary department were 12 people (13.3%), then respondents with the origin of the loss prevention department were 5 people (5.6%), then respondents with the origin of the recreation department were 3 people (3.3%) and finally respondents with the origin of the finance department were 1 person (1.1%).

Table 5. Characteristics of Respondents Based on Department

No.	Department	Respondent	
		Number	Percentage(%)
1	<i>Housekeeping</i>	23	25,6
2	<i>Loss Prevention</i>	5	5,6
3	<i>Finance</i>	1	1,1
4	<i>Culinary</i>	12	13,3
5	<i>Recreation</i>	3	3,3
6	<i>Engineering</i>	14	15,6
7	<i>Steward</i>	15	16,7
8	<i>Food &amp; Beverage</i>	17	18,9
Total		90	100

Source: Processed Data, 2023

Based on Table 6, it is known that the significance value of Asymp. Sig (2-tailed) of 0.200 is greater than 0.05. So in accordance with the basis for decision making in the Kolmogorov-smirnov normality test above, it can be concluded that the data is normally distributed. Normally distributed data

means that the data used in this study are normal, which is seen that the distribution of data on each variable does not have a significant difference in value, so this study fulfills the assumption of normality and can be continued with the next test.

Table 6. Normality Test  
***One-Sample Kolmogorov-Smirnov Test***

		<i>Unstandardized Residual</i>
<i>N</i>		<i>90</i>
<i>Normal Parameters<sup>a,b</sup></i>	<i>Mean</i>	<i>.0000000</i>
	<i>Std. Deviation</i>	<i>2.41872897</i>
	<i>Most Extreme Differences</i>	
	<i>Absolute</i>	<i>.069</i>
	<i>Positive</i>	<i>.069</i>
	<i>Negative</i>	<i>-.049</i>
<i>Test Statistic</i>		<i>.069</i>
<i>Asymp. Sig. (2-tailed)</i>		<i>.200<sup>c,d</sup></i>

a. Test Distribution is Normal.

b. Calculated From Data.

c. Lilliefors Significance Correction.

d. This is a Lower Bound of the True Significance.

Source: Processed Data, 2023

The significance value (Sig.) in Table 7 shows that all data has a significant value above 0.05, namely 0.383 for Financial Compensation, so this is in line

with the requirements of the heteroscedasticity test, namely this study is free from symptoms of heteroscedasticity.

Table 7. Heterocedasticity Test

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.904	1.176		.768	.444
Financial Compensation	.066	.075	.093	.876	.383

a. Dependent Variable: ABS\_RES.

Source: Processed Data, 2023

Table 18 shows that the constant value is 0.382 and Financial Compensation (X) is 1.262. Based on the constant value and the regression coefficient value of the independent variables, a simple linear regression equation is obtained as follows:

$$Y = 0.382 + 1.262 X$$

Based on calculations with the formula  $Y = a + b$  (Sugiyono, 2013), a simple linear regression line equation is obtained which provides information that:

- 1) The constant value of 0.382 means that if the Financial Compensation variable is eliminated, the Daily Worker Performance is worth 0.382. If the value of the independent variable (Financial Compensation) increases, the dependent variable (Daily Worker Performance) will increase due to the positive value of the independent variable.
- 2) The regression coefficient value of the Financial Compensation (X) variable on Daily Worker Performance is 1.262, meaning that if Financial Compensation (X) increases by one unit, while other variables remain constant, Daily Worker Performance will increase by 1.262. The coefficient of Financial Compensation (X) is positive, meaning that between Financial Compensation (X) and Daily Worker Performance has a unidirectional relationship. An increase in Financial Compensation

(X) will result in an increase in Daily Worker Performance.

It can be seen that the  $t_{count}$  value of Financial Compensation (X) is 10.012 with a significance less than the  $\alpha$  value ( $0.000 < 0.05$ ). The level of significance used in this test is 0.05 or  $\alpha$  (confidence level) = 5% with degree of freedom (degree of freedom)  $df = n - k$ . The value of  $n = 90$  and  $k = 1$ , then  $df = 90 - 1 = 89$ . The amount of t table = t ( $\alpha$ , df) so the value sought is t (0.05; 89). Based on the t distribution table in appendix 6, the t table value = 1.662 (Pratiwi, 2017).

If  $t_{count} > t_{table}$  or significance value  $< \alpha$  then  $H_0$  is rejected and  $H_a$  is accepted.

If  $t_{count} \leq t_{table}$  or significance value  $> \alpha$  then  $H_0$  is accepted and  $H_a$  is rejected.

The calculation results show that the value of  $t_{count} > t_{table} = 10.012 > 1.662$  and the significance value  $< \alpha = 0.000 < 0.05$  then  $H_0$  is rejected and  $H_a$  is accepted. This shows that Financial Compensation (X) has a positive and significant effect on Daily Worker Performance at The Laguna Resort and Spa Nusa Dua, Bali with an error rate of 5%, 95% confidence and 89 degrees of freedom.

Table 8. T-test

Variable	t-test	Sig	Result
Financial Compensation (X)	10,012	0,000	Positive & Significant
Alpha ( $\alpha$ ) 0,05			

Source: Processed Data, 2023

Table 9 shows that the R square value obtained from the analysis results means that the dependent variable can be explained by the independent variable as much as 53.3% ( $0.533 \times 100\%$ ) and the remaining 46.7% is explained by other variables not used in this study. According to Ghozali's (2018), if the

coefficient of determination interval is between 40% - 59.9%, the coefficient of determination can be said to be moderate. The result of the coefficient of determination in this study is 53.3%, so it can be stated that financial compensation has a moderate effect on the daily worker performance.

Table 9. Determination Coefficient Test Results

*Model Summary<sup>b</sup>*

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.730 <sub>a</sub>	.533	.527	2.43243

a. Predictors: (Constant), Kompensasi Finansial.

b. Dependent Variable: Kinerja Daily Worker.

Source: Processed Data, 2023

In this study, financial compensation is proven to have a positive and significant effect on Daily Worker Performance at The Laguna Resort and Spa Nusa Dua, Bali. This is evidenced by the results of the t test for the Financial Compensation variable with a  $t_{count} > t_{table}$  value of  $10.012 > 1.662$  and a significance value  $< \alpha = 0.000 < 0.05$ . The  $\beta$  value of Financial Compensation is 1.262 which means that if Financial Compensation increases by one unit, while other variables remain constant, the Daily Worker Performance will increase. Broadly speaking, the problem formulation has been answered in accordance with the hypothesis that has been proposed. Financial Compensation has a moderate effect on Daily Worker Performance, this can be seen from the results of the coefficient of determination test that the Financial Compensation variable has a contribution of 53.3% to Daily Worker Performance and the remaining 46.7% is influenced

by other variables not used in this study. Other independent variables that can affect Daily Worker Performance besides Financial Compensation are training, rewards or awards, corporate culture, leadership style and career development. This research is in line with the results of research conducted by Kesuma & Riana (2015) which states that Financial Compensation has a positive and significant effect on Performance. This means that when Financial Compensation increases, Daily Worker Performance will also increase because there is a positive and significant influence between Financial Compensation on Daily Worker Performance.

## CONCLUSION

This study shows that the Financial Compensation variable (X) has a significant effect on the performance of daily workers (Y) indicated by the value of  $t_{count} > t_{table}$ , namely  $10.012 > 1.662$ . Financial compensation is positive with a beta value of 1.262 on daily worker performance, so increasing financial compensation (X) increases daily worker performance. Where financial compensation has a contribution to influence the performance of daily workers by 53.3% in the moderate category, while the remaining 46.7% is influenced by other variables not examined in this study.

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