

ABSTRACT

The purpose of this research is to examine the effect of financial compensation and transformational leadership on employee performance by using 8 hotels in Yogyakarta which were selected using random sampling. Data collection method in this research was questionnaire. The population that became the object of research was the employee of hotel in Yogyakarta with total sample was 73 employees who came from 8 hotels. Hypothesis testing is done with multiple linear regression analysis through SPSS 15.0 for windows program. The result showed that financial compensation and transformational leadership have significant effects on employee performance.

Keyword: financial compensation, transformational leadership style, employee performance