

CHAPTER IV

RESULT AND DISCUSSION

A. Description of Research Object

Based on the data collected in this research, the number of questionnaires distributed was 100 pieces and the number of filled out questionnaires was 76 pieces and the rest were not returned by the hotel. Seventy-six data were obtained from 8 hotels in Yogyakarta, which consisted of 2-star hotels and 6-non-star hotels. However, only 7 pieces of questionnaires could be processed and used as research data while the other 3 questionnaires could not be processed because they were unfilled or empty. Description of characteristics data questionnaires are as follows:

Table 4.1 Characteristics of Data Questionnaire Distribution

	Total	Percentage
Distributed questionnaire	100	100%
Returned questionnaire	76	76%
Processed questionnaire	73	73%

Source: Data Processing, 2018

Based on the data collection by using questionnaires, the characteristics of respondents who become the population in this study are divided into several groups, namely: gender, work status, age, last education, and length of work. The details are as follows:

1. Description of respondents by gender

Description of respondents by gender can be seen in Table 4.2 below :

Table 4.2 Characteristics of Respondents by Gender

Gender	Total	Percentage
Female	31	42%
Male	42	58%
Total	73	100%

Source: Data Processing, 2018

Table above shows that the respondents in this study consist of 31 respondents with female gender while 42 others are male.

2. Description of respondents by age.

Description of respondents by age can be seen in Table 4.3 below:

Table 4.3 Characteristics of Respondents by Age

	Total	Percentage
17-27 years	26	36%
28-38 years	17	23%
39-50 years	28	38%
>50 years	2	3 %
Total	73	100%

Source: Data Processing, 2018

The table above shows that most respondents those with age between 39-50 years old as many as 28 people (38%), while the least are respondents with age > 50 years as many as 2 people (3%). Other respondents with age between 17 - 27 years old are 26 people (36%) and the rest are between the ages of 28 - 38 which is 17 people (23%).

3. Description of respondents by latest education.

Description of respondents based on latest education can be seen in Table 4.4 below:

Table 4.4 Characteristics of Respondents by Last Education

	Total	Percentage
Senior High School/Vocation	12	16%
Diploma	27	37%
S1	34	47%
Total	73	100%

Source: Data Processing, 2018

Based on the table above, most of respondents in this study have undergraduate program as their latest education namely 34 people (47%). Respondents with the latest education of Senior High School / Vocation are as many as 12 people (16%), while the latest education Diploma are as many as 27 people (37%).

4. Description of respondents by length of work.

The following is description of respondents by length of work:

Table 4.5 Characteristics of Respondents by Length of Work

Length of work	Total	Percentage
< 1 year	6	8%
1-5 year	21	29%
6-10 year	44	60%
> 10 year	2	3%
Total	73	100%

Source: Data Processing, 2018

Based on the table above, respondents in this study mostly have worked in the field of hospitality for 6 - 10 years are as many as 44 people (60%). Respondent with length of work < 1 year are as many as 6 people (8%), respondents with length of work < 1-5 years are as many as 21

people (29%), and respondents with length of work > 10 years are as many as 2 people (3%).

B. Instrument and Data Testing

The instrument test is used to assess whether the instrument used is feasible and can be continued as an instrument in this study. Therefore, the research instrument must meet the criteria of validity and reliability to be used in research. The test instruments was performed to 73 hotel employees included in the research sample. Test instruments performed includes:

1. Descriptive Statistic

Descriptive statistic test is used to describe both independent and dependent variables in the form of table. The descriptive statistic includes the means, deviations standards, maximum values and minimum values of each variable. In this research, the independent variables are financial compensation and transformational leadership style while the dependent variable is employee performance.

Table 4.5 Result of Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Dev
Financial Compensation	73	18	45	32.85	4.957
Transformational Leadership Style	73	30	58	45.67	4.378
Employee Performance	73	24	43	33.60	4.148
Valid N (listwise)	73				

Source: Data Processing, 2018

From the descriptive statistic table above, financial compensation (FC) has mean 32.85 with the standard deviation is 4.957. The minimum value of financial compensation is 18 and for the maximum value is 45. Transformational leadership style (LS) has mean 45.67 with the standard deviation is 4.378. The minimum value of financial compensation is 30 and for the maximum value is 58. Employee performance (EP) has mean 33.60 with the standard deviation is 4.148. The minimum value of financial compensation is 24 and for the maximum value is 43.

2. Validity Test

Validity test is used to determine whether or not the questionnaire is valid. Instruments are said to be valid if it is showing the measuring tool used to get the data is valid or can be used to measure what should be measured (Sugiyono, 2004). Thus, if the instrument has passed the validity test then the instrument has been able to reveal the value of the variables studied. The following is the result of the validity test:

Table 4.6 Result of validity Test

Variable	KMO	Information
Financial Compensation	0.869	Valid
Transformational Leadership Style	0.654	Valid
Employee Performances	0.836	Valid

Source: Data Processing, 2018

The table above shows that the KMO value of all variables is more than ($>$) 0.5 so it can be said that all variables pass the validity test. The following is the result of anti-image correlation:

Table 4.7 Result of Anti-image Correlation

	Anti-image Correlation
FC1	0,896
FC2	0,847
FC3	0,737
FC4	0,826
FC5	0,949
FC6	0,866
FC7	0,863
FC8	0,871
FC9	0,915
LS1	0,563
LS2	0,679
LS3	0,761
LS4	0,804
LS5	0,680
LS6	0,750
LS7	0,697
LS8	0,844
LS9	0,563
LS10	0,565
LS11	0,684
LS12	0,527
EP1	0,902
EP2	0,854
EP3	0,876
EP4	0,857
EP5	0,875
EP6	0,896
EP7	0,841

	Anti-image Correlation
EP8	0,727
EP9	0,735

Source: Data Processing, 2018

The anti-image correlation produces a high correlation for each item of the transformational leadership style, financial compensation, and employee performance. Therefore, it can be stated that the items used to measure the constructs of transformational leadership styles, financial compensation, and employee performance meet the criteria as constituent formers. The following is the result of total variance explained:

Table 4.8 Total Variance Explained

Variable	% of Variance
Financial Compensation	68,487 %
Transformational Leadership Style	62,482 %
Employee Performances	64,589 %

Source: Data Processing, 2018

The next output is Total Variance Explained which shows how much items used in each variable can explain the constraint. The items in the transformational leadership style variable have the ability to explain the constants of 62.482%, the items in the financial compensation variable explain the constructs of 68.487%, and the items in the employee performance variable are capable of explaining the constants of 64.589%.

3. Reliability Test

The reliability test is intended to measure the consistency of the research instrument. Testing reliability of all items or questions in this study would use the formula coefficient cronbach's alpha. Cronbach`s

alpha critical value in this study using a value of 0.60 assuming that the list of questions tested will be said reliable when the value of cronbach`s alpha ≥ 0.60 . The results of the reliability test are as follows:

Table 4.9 Result of Reliability Test

Variable	Cronbach`s Alpha	Information
Financial Compensation	0.900	Reliable
Transformational Leadeship Style	0.779	Reliable
Employee Performances	0.886	Reliable

Source: Data Processing, 2018

From the results of reliability test above can be known the value of Cronbach's Alpha for each variable. Cronbach's Alpha value is generated above 0.60, so it can be concluded variable used is reliable.

4. Classic assumption test

The data should pass classic assumption test, therefore the result of multiple regression analysis is also correct. This research has three of classic assumption test, namely:

a. Normality test

Normality test is used to test whether in the regression model, there is a normal distribution between the dependent variable and the independent variable. If the distribution of data is normal or close to normal, then the regression model is good. The test used to determine whether the data distributed normal or not. The non-parametric statistical test used was the Kolmogorov-Smirnov One-Sample test (1-Sample K-S). If the result shows a probability value significantly

more than 0.05, then the variable is distributed normally. The result is as follows:

Table 4.10 Result of Normality Test

		Unstandardized Residual
N		73
Normal Parameters(a,b)	Mean	.0000000
	Std. Deviation	3.25949650
Most Extreme Differences	Absolute	.119
	Positive	.119
	Negative	-.053
Kolmogorov-Smirnov Z		1.018
Asymp. Sig. (2-tailed)		.251

Source: Data Processing, 2018

From the SPSS output data above can be seen that the value of Asymp. Sig. (2-tailed) 0.251 is greater than alpha 0.05, so the data is distributed normally.

b. Multicollinearity tes.

Multicollinearity test was conducted to test whether in the regression model a correlation between independent variables is found. A good regression model should not be correlated between independent variables. Examination of presence or absence of Multicollinearity in regression model can be seen by looking at tolerance and VIF (Variance Inflation Factor). Common values used to show Multicollinearity are tolerance > 0.1 or VIF value < 10 (Ghozali, 2009). If the VIF value is less than 10 and the tolerance value is more than 0.1, it can be said that the item is free from

Multicollinearity. The following is the result of multicollinearity test conducted on the research variables:

Table 4.11 Result of Multicollinearity Test

Variable	Tolerance	VIF	Information
Financial Compensation	2.727	0.008	Doesn't contain multicollinearity
Transformational Leadership Style	2.786	0.007	Doesn't contain multicollinearity

Source: Data Processing, 2018

From the table above, the result shows that all of the variables have tolerance value more than 0.1 and the VIF value is less than 10.

c. Heteroscedasticity test

The heteroscedasticity test was performed to test whether there is a variance inequality of one observation's residual to another observation in the regression model. Regression model is said to be good if heteroscedasticity does not occur. Homoscedasticity is when the variance of one observation residual to another observes remains. If different, it is called heteroscedasticity.

Heteroskedasticity test was performed by using glejser test. To test the presence or absence of heteroscedasticity, that is by comparing the significance of each independent variable in SPSS output with significance level used in this study that is 0.05 or 5%. If the value of significance produced on each variable is less than 0.05 then it indicates heteroscedasticity. Conversely, if the significance is more

than 0.05, then there is no heteroscedasticity. The following is the result of heteroscedasticity test conducted on the research variables:

Table 15.12 Result of Heteroscedasticity Test

Variable	Sig.	Information
Financial Compensation	0.261	Non heteroscedasticity
Transformational Leadership Style	0.860	Non heteroscedasticity

Source: Data Processing, 2018

Based on the results of heteroscedasticity test through glejser test can be seen that the significance value of each independent variable is above or higher compared with the 0.05 significance value. Therefore, it can be concluded that there is no heteroskedastisitas on independent variables used in this study.

C. Hypothesis Testing

There are three hypothesis in this research. The influence of independent variables toward dependent variable can be identified through t-test and F test. The following is a further explanation regarding t-test and F test.

1. t-Test

The following is the result of t-test conducted on the research variables:

Table 4.13 Result of t-Test

Model		Unstandardized Coefficients		Sig.
		B	Std. Error	
1	(Constant)	11.417	4.101	.007
	Financial Compensation	.258	.904	.008
	Transformational	.298	.107	.007

Model		Unstandardized Coefficients		Sig.
	Leadership Style			

Source: Data Processing, 2018

$$EP = 11.417 + 0.258FC + 0.298LS + e$$

From the table above in the column Unstandardized Coefficients B for each variable, the transformational leadership style variable affects the employee performance channeled by 0.298 and the financial compensation variable affects the employee's performance of 0.258. The positive value means the better transformational leadership style or the higher financial compensation the better employee performance.

The significance of independent variables on the dependent variable can be seen from the Sig value. The significance value for the transformational leadership style variable is 0.000, meaning that this variable has a significant effect on employee performance. Similarly with financial compensation variable that has a sig value of 0.000 which means this variable significantly influences employee performance.

Therefore, it can be concluded that the influence between transformational leadership style and financial compensation on employee performance is significant because the significance value is smaller than $\alpha = 0.05$. Hence hypothesis nul is rejected, whereas alternative hypothesis is accepted.

2. F-Test

The simultaneous test of hypothesis (F test) between the independent variables in this case transformational leadership style and

financial compensation to the dependent variable is employee's performance. The results of F Test analysis can be seen in the following table:

Table 4.14 Result of F Test

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	373.296	2	186.648	17.080	.000(a)
	Reidual	764.951	70	10.928		
	Total	1138.247	72			

Source: Data Processing, 2018

The result of F test is F arithmetic 17.080 with a significance value of 0.000, because significant value is less than 0.05 then H_0 is rejected. Thus, it can be concluded that the transformational leadership style and financial compensation simultaneously have a positive effect on employee performance.

3. Coefficient Determination Test

Test R^2 aims to find out how much the ability of independent variables explain the dependent variable seen through R square. The results of coefficient of determination analysis can be seen in the following table:

Table 4.15 Result of Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.573(a)	.328	.309	3.306

Source: Data Processing, 2018

The results in the table show the adjusted coefficient of determination adjusted R square is 0.309 or 30.9% employee performance (EP) can be explained by the variable of transformational leadership style and financial compensation. While the rest of 69.1% (100% - 30.9%) is explained by other variables that are not known and not included in this study.

D. Interpretation

The following is further discussion about the result in this research:

1. The effect of transformational leadership style on employee performance

The first hypothesis test shows that t value is 2.786 bigger than t value of table 1.669 ($n = 73$ and $\alpha = 0.05$) with 0.000 significance this means that the effect that happened to both of these variables is positive and significant, so the first hypothesis can be accepted.

Leadership style in accordance with the situation and conditions will be able to create a good working atmosphere within the company so it will give a positive impact on employee performance level. The better the applied leadership style, the better or higher the employee's performance.

Thus, the results of this study support research conducted by Kende et al. (2016) entitled "The Influence of Transformational Leadership, Competence, Financial Compensation Against Work Motivation and Employee Performance" which states that transformational leadership variable proved to have a significant effect on Employee Performance.

The results of this study indicate that the leadership style transformational positive effect on employee performance. The greater the transformational leadership style then Employee performance will also be greater.

2. The effect of financial compensation on employee performance

The second hypothesis test shows that t value is 2.727 bigger than t value of table 1.669 ($n = 73$ and $\alpha = 0.05$) with 0.000 significance this means that the influence that happened to both of these variables is positive and significant, so the second hypothesis can be accepted.

Compensation will provide employee encouragement to sustain their achievement. The employee will feel the business he or she is doing in working for the company is paid or rewarded accordingly with the compensation he/she receives so that the employee will be satisfied. Conversely, if the company does not apply the compensation system fairly and well then employees will feel disadvantaged. The better the fair and the higher the compensation given by the company to its employees then the employees will be more satisfied and happy, employee performance will increase.

This research is in contrast to research conducted by Widyarto (2012) which states that the level of compensation has no effect on employee performance. The second hypothesis testing in this study supports Kende et al. (2016) study which shows that financial compensation has a positive and significant effect on employee

performance.

The results of this study indicate that financial compensation has a positive effect on employee performance. The greater the compensation given by the company then the performance of the employees will also be greater.

3. The effect of transformational leadership style and financial compensation on employee performance

The results of this study support the fourth hypothesis which states that the transformational leadership style and financial compensation together, have a positive effect on employee performance. The results of this study indicate that the transformational leadership style and financial compensation together, have a positive effect on employee performance. The greater the style of leadership and the higher the compensation given, the employee performance will also be greater or better.