

Balancing Work Ethics and Non-Financial Compensation Enhancing Employee Productivity

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Abstract

Purpose: This study investigates the impact of work ethics and non-financial compensation on employee productivity at Perusahaan Umum Daerah Bank Perkreditan Rakyat (PERUMDA BPR) Majalengka, addressing the scarcity of empirical evidence regarding behavioral and non-monetary determinants influencing productivity in public-sector banking.

Methodology/approach: A quantitative approach was used, with a survey conducted using questionnaires. The sample consisted of 50 employees, and the data were analyzed using multiple linear regression to determine the impact of work ethics and non-financial compensation on productivity.

Results/findings: Both work ethics ($\beta = 0.319$; $t = 2.258$; $p = 0.029$) and non-financial compensation ($\beta = 0.575$; $t = 2.515$; $p = 0.015$) had positive and significant effects on employee productivity. The model accounted for 31% of the variance ($R^2 = 0.310$), and the overall regression was statistically significant ($F = 10.534$; $p < 0.001$). These findings demonstrate that both predictors significantly improved productivity. However, the substantial unexplained variance indicates the existence of additional organizational factors that were not addressed in this study.

Conclusions: Improving non-monetary rewards and strengthening employees' work ethics can boost productivity, although these elements represent only part of a broader performance system.

Limitations: This study is limited to a single institution and self-reported data; future research should include additional variables and mixed-method approaches.

Contributions: This study highlights the role of work ethics and non-financial compensation in boosting employee productivity in the banking sector, offering insights for organizations to improve performance through effective policies and rewards.

Keywords: *Employee Productivity, Non-Financial Compensation, Work Ethics.*

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1. Introduction

The increasingly competitive globalization era has brought about significant changes in the workplace, making Human Resource Management (HRM) a primary factor in boosting organizational success. HRM can not only be used in business operations but also as a primary controller that maximizes other resources, such as increased productivity and efficiency. Productivity is a crucial indicator of how well an organization uses employee potential to achieve desired results. According to Rahmadiyah and Rizal (2023), productivity can be measured as the difference between the results obtained by workers who participate in making efficient and effective use of daily resources.

The study conducted by Suandi and Fung (2022) highlighted the importance of work ethics in increasing productivity, with positive and significant findings. However, existing studies often examine these

factors separately, leaving a limited understanding of how they jointly influence productivity within public-sector banking institutions. In addition, both financial and non-financial compensation play a crucial role in enhancing. In addition, compensation, whether monetary or non-monetary, plays a crucial role in strengthening the relationship between employee motivation and productivity. Previous studies have indicated that compensation practices, particularly non-financial aspects, play an important role in shaping employee engagement, which subsequently influences employee attitudes and work outcomes (Avrilian & Fuad, 2024).

According to Bhastary (2020), work ethics are based on habits and many issues that interfere with the decision-making process. Workplace ethics include attitudes, values, and behaviors that affect each individual's work. Highly ethical employees tend to be dedicated, responsible, and committed to their work. This gap is particularly relevant because banking organizations operate in highly regulated environments where ethical lapses may significantly impact service outcomes and organizational credibility. Employees focus not only on results but also on processes that adhere to moral and professional standards. In addition to work ethics, non-financial compensation is another factor that affects work productivity.

According to Giri, Sujana, and Novarini (2024), compensation is a sum of money given to employees by an organization or business, either in a financial or non-financial manner, within a specific time period. One factor that affects productivity is not only financial compensation, such as salary and incentives, but also non-financial compensation, such as awards, recognition, and career development opportunities, which have a significant impact on employee motivation. Amegayibor (2023) non-financial compensation, such as recognition for achievements and work-life balance, is crucial in fostering an emotional bond with employees, which ultimately contributes to higher productivity in the banking sector.

The scientific contribution lies in addressing empirical and theoretical gaps by examining both variables simultaneously, offering evidence from a public-sector banking environment that has been underrepresented in prior research. The survey results indicate that the majority of respondents are positive about the use of technology, with 90% of respondents citing it as a factor that increases efficiency and accuracy, while 10% still disagree due to difficulties. However, 20% of respondents were neutral and 10% somewhat agreed, which may be affected by high or limited resources. Meanwhile, 55% of respondents rarely or have never received complaints about their job results.

Although these descriptive insights provide contextual relevance, they also highlight areas requiring organizational improvement, including training adequacy, workflow flexibility, and resource availability issues. Overall, this survey indicates that the majority of respondents have a strong commitment to work quality, with technological support that increases efficiency, productivity and teamwork. However, certain issues remain related to the difficulty of the work process, limited training, and the need for flexibility in the process. Aside from that, there are still issues related to high and limited resources, and complaints about work are rarely accepted. Overall, the survey indicates a positive trend, but it still requires improvement in a few areas.

2. Literature Review and Hypothesis Development

2.1 Organizational Behavior

Organizational behavior is an in-depth study of how individuals, groups, and organizations interact. Organizational behavior examines how individuals, groups, and organizations act and interact at various levels within a work environment (Rodiyana & Pamungkas, 2024). Understanding organizational behavior is important because it explains how employees' attitudes, motivation, and behavior patterns affect their performance, such as productivity. In this context, organizational behavior is important because it shows how work ethics and non-monetary rewards affect employees' job performance.

2.2 Work Ethics

Ethics is a collection of values related to right, good, wrong, and bad based on moral principles, especially in actions and behaviors. Work ethics include attitudes, views, habits, characteristics, or traits regarding the way a person works. Someone Ngebursian, Latupapua, and Risambessy (2024) for measure level ethics Work uses 5 indicators, namely Responsibility, Positive Work, Work Discipline, Diligence and Education. Strong work ethics grounded in responsibility, honesty, and professionalism have been shown to significantly improve employee productivity across organizational contexts (Darmawati & Luthfi, 2025). Empirical evidence shows that work discipline and motivation significantly contribute to employee performance improvement, particularly in organizational environments that emphasize responsibility and consistency (Handayani, 2021).

These indicators show moral values that help workers perform their jobs responsibly and consistently. Prior research, including Bhastary (2020), indicates that work ethics affect individuals' responses to job demands, establishing it as a significant predictor of productivity. Ethical practices in compensation and work behavior foster employee engagement and contribute positively to productivity (Jayeoba, Genty, & Adeoye, 2025). Values rooted in local wisdom and ethical behavior have been found to positively influence employee performance by shaping responsible and committed work attitudes (Fajar, Putri, Amariam, Idrus, & Bahrudin, 2023).

2.3 Compensation Non- Financial

Non-financial compensation is awarded to employees outside wages, Which These include recognition, career development opportunities, flexible working hours, and a supportive work environment. Furthermore, non-financial compensation includes interesting assignments, responsibility, supportive policies, competent supervision, and a comfortable work environment (Huda, Akbar, & Lina, 2024). Nonfinancial compensation, such as recognition and career development opportunities, has a significant positive effect on employee productivity by enhancing intrinsic motivation (Huda et al., 2024).

To measure the level of non-financial compensation provided, it is divided into two dimensions, each with its own indicators:

- a) Career progression with indicators: opportunity promotion and performance special
- b) Work environment with indicators: pleasant coworkers, comfortable work environment, and good working hours

These forms of compensation strengthen employees' sense of appreciation and support, which, in turn, can increase motivation. Non-financial compensation, including recognition and career development opportunities, significantly and positively affects employee productivity by strengthening intrinsic motivation. Nonfinancial compensation plays a crucial role in strengthening employee engagement, which indirectly affects employee attitudes and work outcomes (Avrilian & Fuad, 2024).

Huda et al. (2024) also emphasize that non-financial compensation is becoming increasingly important in enhancing intrinsic motivation in the banking industry. These indicators demonstrate that productivity is influenced not only by output but also by employee competence and their motivation. Studies in the literature review, including Putri, Fauzi, Saputra, Danaya, and Puspitasari (2023), indicate that productivity is influenced by behavioral and environmental factors, underscoring the importance of investigating work ethics and nonfinancial compensation. Compensation strategies have been empirically shown to enhance employee productivity both directly and through improved work discipline as a mediating factor (Sujimah, 2025).

2.4 Productivity Work

Labor productivity is the ability of employees to produce results that are commensurate with the resources used (Suandi & Fung, 2022). According to the ILO, labor productivity is defined as the ratio between output (goods and services produced) and labor input, such as the number of workers or hours worked, which reflects the ability to use power in process production. There are four indicators to

measure the level of productivity: Ability, Results achieved, work enthusiasm, and self-development (Putri et al., 2023).

2.5 Work Ethics and Employee Productivity

Work ethics refer to the values and attitudes that an individual demonstrates while performing their tasks and responsibilities. A strong work ethic includes discipline, dedication, responsibility, honesty, and integrity. For instance, a study conducted by the Aru Islands government office found that employees with strong work ethics (diligence, time-consciousness, fairness, and collaboration) positively influenced employee performance, which contributed to higher productivity. Strong work ethics are also associated with proactive behaviors in completing tasks and fair work practices (Rahmawati & Rahman, 2022).

Further research has shown that work ethics positively affect employee performance and productivity. For example, a study published by Damayanti, Hartono, and Istiqomah (2022) emphasized that a good work ethic increases employees' intrinsic motivation, encouraging them to work harder and complete tasks with higher quality. Employees with strong work ethics tend to engage in *organizational citizenship behaviors* (OCB), which include helping colleagues, going the extra mile, and focusing on work quality traits that support overall productivity. Work discipline has been empirically proven to have a direct and significant effect on employee performance, especially when it is supported by leadership and employee empowerment (Putra & Arifin, 2024).

From the perspective of motivational theory, work ethics are closely related to intrinsic motivation, where employees driven by internal values to perform well are more likely to produce high-quality work, which in turn boosts productivity (Nkomoki & Chomba, 2024). A supportive work environment that promotes positive work ethics plays a crucial role in reinforcing these internal values. Hypothesis Development: Work Ethics and Employee Productivity. Based on the literature review, the following hypothesis is proposed:

H₁: The higher the level of employees' work ethics, the higher the level of employee productivity

2.6 Non-Financial Compensation and Employee Productivity

Non-financial compensation refers to all forms of rewards or recognition provided to employees that do not involve direct monetary payment. These factors include recognition, career development opportunities, training, work-life balance, a supportive work environment, non-monetary rewards, and job security. Putri et al. (2023) highlighted that non-financial compensation plays a crucial role in enhancing job satisfaction, motivation, and ultimately, employee productivity. Non-financial rewards can increase employee engagement and motivate them to perform better (Hamzah & Matkhairuddin, 2023).

Research on the banking sector in Papua also demonstrates that nonfinancial compensation significantly impacts employee productivity. Huda et al. (2024) state that recognition and opportunities for growth at work boost employees' intrinsic motivation, which in turn improves their performance and productivity. Furthermore, according to Expectancy Theory, employees who feel valued and have opportunities for personal development are more motivated to achieve desired outcomes. Non-financial compensation is essential because it enhances employees' sense of ownership and commitment to the organization. When employees feel appreciated and supported, they are more likely to engage in productive work behaviors, even without direct financial incentives tied to their work.

Hypothesis Development: Non-Financial Compensation and Employee Productivity. Based on the findings of the literature review, the following hypothesis can be developed:

H₂: The higher the level of non-financial compensation received by employees, the higher their productivity.

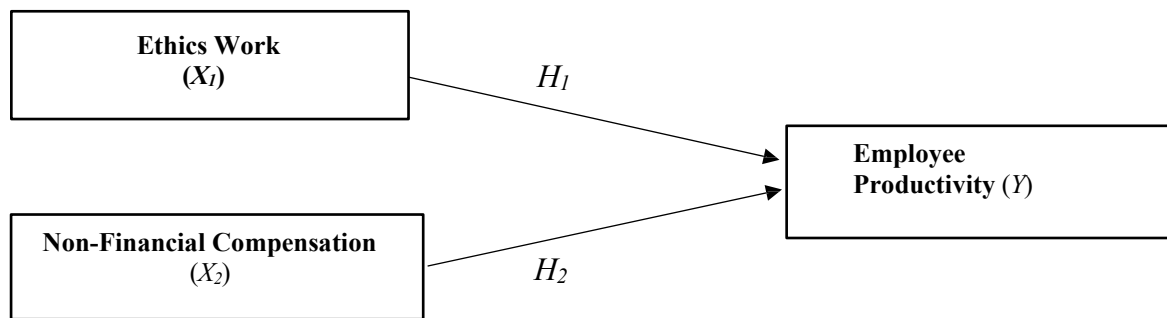


Figure 1. Conceptual framework

3. Research Methodology

This study employed a quantitative approach, specifically utilizing both descriptive and verification methods to analyze the research variables. The data collected for this study are primary data obtained by distributing structured questionnaires to respondents. The primary aim of using a quantitative approach is to quantify the relationships between the variables under consideration and test the proposed hypotheses. Quantitative methods are appropriate because they allow researchers to numerically measure variable relationships and evaluate their statistical significance (Creswell, 2017).

The sampling technique applied in this research is non-probability sampling, which involves selecting samples in a way that does not give all members of the population an equal chance of being included in the sample. More specifically, this study used a random sampling method within the non-probability sampling framework, where each individual in the population had an equal chance of being selected for the sample. Despite the random nature of this selection, the non-probability aspect means that the sample may not perfectly represent the entire population; however, it allows for easier and quicker access to the required respondents. However, because the study involves all 50 employees in PERUMDA BPR Majalengka, the appropriate classification for this sampling approach is a *census technique*, where the entire population is included as respondents. Thus, although the earlier description refers to non-probability techniques, the actual design aligns with a census approach, ensuring complete population coverage and eliminating sampling biases.

The population for this study consisted of all 50 employees working at PERUMDA BPR Majalengka. These employees are the focus of this study, and the entire population was selected as the sample. As such, there was no need for a separate sample extraction, which can sometimes introduce sampling errors, because the total population was involved in the research. This approach ensured that the study comprehensively examined the views and characteristics of the entire workforce at the institution. Using the entire population also increased the internal validity of the study, as it captured all employee perceptions relevant to the variables measured.

Data analysis was conducted in several critical stages. The first stage involved classical assumption tests designed to ensure that the data met the assumptions necessary for performing statistical analyses. These assumptions include linearity, multicollinearity, homoscedasticity, and normality, all of which are essential for the validity of the results of the regression analysis. Prior to assumption testing, instrument quality was ensured through validity and reliability testing using questionnaire indicators. Validity testing was conducted to assess whether each questionnaire item accurately measured the intended variable, whereas reliability testing ensured the internal consistency of the instrument. Both tests are essential to confirm that the data collected meet the minimum measurement quality required for regression analysis.

Next, multiple linear regression was used to analyze the relationships between the independent variables (predictors) and the dependent variable (outcome). This method is ideal because it allows for the examination of the effects of several independent variables simultaneously while controlling for the influence of others. Thus, the researcher can better understand the extent to which each independent variable contributes to the dependent variable. Multiple linear regression is justified in this study

because the research involves more than one independent variable (work ethics and non-financial compensation) and aims to determine their simultaneous and partial effects on the productivity of employees. This statistical technique is appropriate for interval-scale data and aligns with the study's objective of quantifying predictive relationships.

The coefficient of determination (R^2) was then calculated to measure the proportion of variation in the dependent variable that can be explained by the independent variables included in the model. A higher R^2 value indicates that a larger proportion of the variation in the dependent variable is accounted for by the predictors, suggesting a better model fit. Additionally, an F-test was conducted to assess the overall feasibility of the model. The F-test evaluates whether the set of independent variables collectively has a significant impact on the dependent variable, that is, whether the model as a whole is useful in explaining the variability in the data.

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Finally, a t-test was applied to evaluate the significance of each hypothesis. This test assesses whether each independent variable significantly influences the dependent variable, helping to confirm or reject the proposed hypotheses of the study. By comparing the t-statistics with the critical values, this study determines whether the individual predictors have a statistically significant relationship with the outcome. These sequential analytical steps ensured that the regression results were statistically valid and that the hypotheses were tested using appropriate methodological standards.

4. Results and Discussions

4.1 Classical Assumption Test

4.1.1 Normality Test

Table 1. Data normality test results one-sample kolmogorov-smirnov test

N		50
Normal Parameters a,b	Mean	.0000000
	Standard Deviation	3.54780947
Most Extreme Differences	Absolute	.100
	Positive	.089
	Negative	-.100
Test Statistic		.100
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. The test distribution was normal.

b. Calculated from data.

c. Lilliefors significance correction.

d. This is the lower bound of the true significance.

Based on Table 1 the value of Asymp.sig (2-Tailed) is 0.200, which is greater than $\alpha = 0.05$. Therefore, it can be concluded that the data in this study were normally distributed or met the normality test. These results indicate that the data followed a normal distribution, which fulfills one of the key assumptions required for multiple linear regression. A normal data distribution ensures that statistical estimations, such as coefficients and significance tests, remain unbiased and consistent with theoretical expectations.

4.1.2 Multicollinearity Test

Table 2. Multicollinearity test results

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Ethics Work	.790	1,267
	Compensation Non- Financial	.790	1,267

Based on Table 2 the Work Ethics variable has a tolerance value of $0.790 > 0.1$, and VIF is as big as $1,267 < 10$. A similar result was found for the variable of non-financial compensation, with a tolerance value of $0.790 > 0.1$ and a VIF value of $1.267 < 10$. Thus, it can be concluded that there is no indication of multicollinearity among the independent variables in the regression models. The absence of multicollinearity confirms that the independent variables, work ethics and non-financial compensation, do not overlap excessively in explaining employee productivity. This supports the theoretical assumption that each variable captures a distinct conceptual construct, enabling a more accurate estimation of its individual effects.

4.1.3 Uji Autokorelasi

Tabel 3. Hasil Uji Autokorelasi

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.556 ^a	.310	.280	3.62251	2.025

a. Predictors: (constant), compensation non-financial, ethics work

b. Dependent variable: productivity work

Based on Table 3 the Durbin-Watson (DW) value obtained is 2.025. For the dL and dU values, the Durbin-Watson table is used with the number of samples (n) = 50 and the number of independent variables (k) = 2, which produces mark $dL = 1.4625$ and $dU = 1.6283$. Referring to on dU rules $< d < 4 - dU$, mark DW is in between dU and $4 - dU$, namely $1,628 < 2,025 < 2,371$ (with $4 - dU = 4 - 1.6283 = 2.371$). Therefore, it can be concluded that there is no autocorrelation problem in the model. These results confirm that the residuals are independent across observations, which is consistent with the characteristics of cross-sectional data in organizational research. The absence of autocorrelation strengthens the validity of the regression models.

4.1.4 Test Heteroscedasticity

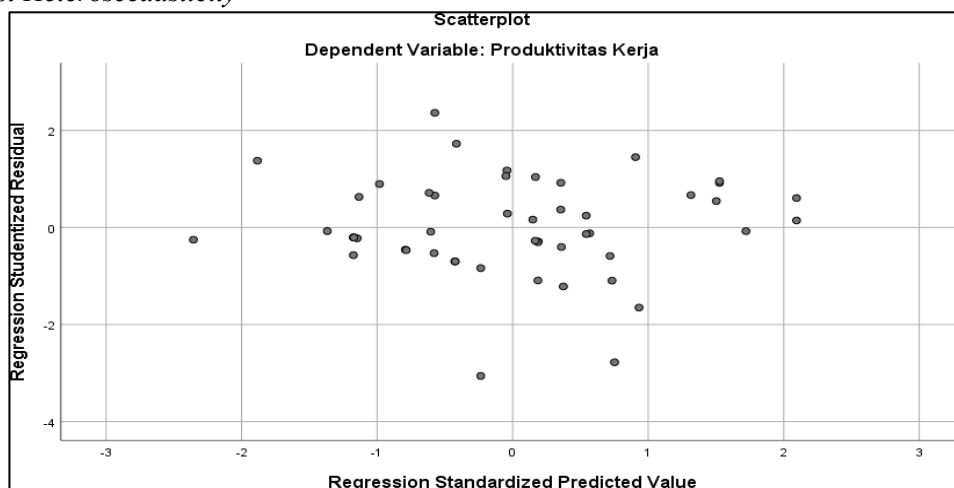


Figure 2. Heteroscedasticity test results

It can be seen in the scatterplot graph above that the data points are spread randomly without a pattern. is certain as well as is at in on and in lower number 0 on axis Y. Pattern distribution Which random This indicates that there are no symptoms of heteroscedasticity in the analyzed regression model. This regression model met the assumption of homoscedasticity, which means that the model was considered good and ideal for use in further analysis. This uniform distribution of residuals indicates homoscedasticity, suggesting that the error variance remains stable across the predicted values. This condition is necessary to ensure that the regression coefficients are efficient and aligned with the classical linear regression model.

4.2 Multiple Linear Regression Analysis

Table 4. Results test regression linear multiple Coefficients ^a

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	7,027	3,397		2,068	.044
	Ethics Work	.319	.141	.308	2,258	.029
	Compensation non-financial	.575	.229	.343	2,515	.015

Dependent variable: productivity work

Based on Table 4 the results of the multiple linear regression analysis obtained the following regression equation:

$$Y = 7.027 + 0.319 + 0.575 + \varepsilon \quad (1)$$

Based on equality, can be interpreted as follows:

1. Constant in model regression as big as 7,027 And marked positive It means on Ethics Work and Non-Financial Compensation (0) then the Work Productivity variable will remain
2. The regression coefficient of the Work Ethic variable is 0.319 and has a positive sign (in the same direction). This means that the better the work ethic of employees, the better their productivity at work.
3. The regression coefficient for the Non-Financial Compensation variable is 0.575 and is positive (in the same direction). This means that the more non-financial compensation employees receive, the better their productivity.
4. The residual value (e) is the error term (there are other variables that were not studied that also influence work productivity).

4.3 Analysis of the Coefficient of Determination

Table 5. Results test coefficient determination Coefficients ^a

		Unstandardized Coefficients		Standardized Coefficients	Correlations		
Model		B	Std. Error	Beta	Zero order	Partial	Part
1	(Constant)	7,027	3,397				
	Etika Kerja	.319	.141	.308	.465	.313	.274
	Compensation Non-Financial	.575	.229	.343	.484	.344	.305

a. Dependent variable: productivity work

Based on Table 5 there are zero-order correlations for the Work Ethic variable, namely 0.465, and for the Non-Financial Compensation variable, namely 0.484. Therefore, the influence of each

independent variable on the dependent variable can be determined using the following calculation:

a. Coefficient determination ethics work to productivity KD work

$$\begin{aligned}
 &= r^2 \times 100\% \\
 &= (0.465)^2 \times 100\% \\
 &= 21.62\%
 \end{aligned}
 \tag{2}$$

Based on this calculation, we can conclude that work ethics has a moderate but significant effect on employee productivity. Specifically, 21.62% of the variation in productivity can be attributed to employees' work ethics. This suggests that while work ethics plays an important role in influencing productivity, there are other factors (such as motivation, organizational culture, compensation, and work environment) that contribute to the remaining 78.38% of the variability in productivity. The fact that work ethics contributes 21.62% to productivity highlights its significance but also indicates that focusing solely on work ethics might not be sufficient to achieve the desired productivity levels. Therefore, while improving work ethics can lead to increased productivity, addressing other contributing factors is essential for enhancing overall employee performance.

b. Coefficient determination compensation non-financial to productivity KD work

$$\begin{aligned}
 &= r^2 \times 100\% \\
 &= (0.484)^2 \times 100\% \\
 &= 23.42\%
 \end{aligned}
 \tag{3}$$

Based on these calculations, the provision of Non-Financial Compensation affects the Work Productivity of PERUMDA BPR Majalengka employees by 23.42%.

4.4 Model Feasibility Test (F Test)

Table 6. Results Test Eligibility Model (Test F)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	276,477	2	138,238	10,534	.000 ^b
	Residual	616,761	47	13,123		
	Total	893,237	49			

a. Dependent variable: productivity work

b. Predictors: (constant), compensation non-financial, ethics work

Based on Table 6 the calculated F value is 10.534 at a significance level of 5% with a profitability value (sig) = 0.000. Meanwhile, the F table value is 3.19, which is obtained from table distribution F (there is an attachment) with formula $n - k$ or $50 - 2 = 48$, where n is the number of samples, namely 50, and 2 are the number of independent variables, which means that $F_{\text{count}} 10,534 > 3.19$ mark F_{table} as well as its significance $0,000 < 0.05$. Based on these results, it can be concluded that the model used in this study is suitable for predicting the work productivity of PERUMDA BPR Majalengka employees. This supports the theoretical proposition that work ethics and non-financial rewards jointly contribute to productivity. The significant F value indicates that the model successfully captures meaningful variance and that the predictors operate together as relevant determinants in the organizational context.

4.5 Partial Hypothesis Test (t-Test)

Table 7. Results test partial hypothesis (t-Test)

Coefficients^a

Unstandardized Coefficients				Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	7,027	3,397		2,068	.044
	Ethics Work	.319	.141	.308	2,258	.029

	Compensation non-financial	.575	.229	.343	2,515	.015
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a. Dependent variable: productivity work

For the work ethics variable, the calculated t_{value} obtained was 2.258 with degrees of freedom (df) as large as $n - k = 50 - 2 = 48$ on level significance 5%. Based on the table t-distribution for $df = 48$, the mark t_{table} is 2.01 (can be seen in the attachment for the table distribution t). Because $t_{\text{count}} > t_{\text{table}} = 2,258 > 2.01$ and value significance $0.029 < 0.05$, then H_0 is rejected and H_a is accepted. This shows that work ethics has a positive and significant influence on employee productivity. The significance of work ethics ($p = 0.029$) demonstrates that disciplined, responsible, and honest employees tend to perform their tasks more effectively. This finding supports behavioral theories that emphasize the role of internalized values in driving consistent and high-quality work behaviors.

However, the variable of non-financial compensation was marked. The value obtained is 2.515 with degrees of freedom (df) of $n - k = 50 - 2 = 48$ at a significance level of 5%. Based on the t-distribution table for $df = 48$, the t-table value is 2.01 (see the Appendix for the t-distribution table). Because $t_{\text{count}} > t_{\text{table}}$ ($2.515 > 2.01$) and the significance value of $0.015 < 0.05$, H_0 is rejected. And H_a accepted. This shows that compensation non-financial own positive and significant influence on employee work productivity. The significant effect of non-financial compensation ($p = 0.015$) reflects that recognition, career opportunities, and supportive work environments strengthen employees' motivation and commitment. These non-monetary elements encourage employees to exert additional effort, consistent with the expectancy-based explanations of employee performance.

4.6 Discussions

4.6.1 Influence Ethics Work to Productivity Work

The partial test results indicate that work ethics has a positive and significant influence on the work productivity of PERUMDA BPR Majalengka employees, contributing 21.62% to the total variance. Although respondents' responses indicated that work ethics was in the "very" category, Good" with a total score of 1,478, its influence on productivity Work was still relatively smaller compared to other more dominant factors. This difference can be explained by the difference in scale data, where respondents use scale ordinal-based perception, while analysis regression uses scale interval, which is more objective. In addition, bias social or culture in answer questionnaire can also influence results perception to ethics work, although statistically its influence on productivity is not dominant. Employee discipline has been identified as a key determinant of performance, along with workload and organizational commitment, in improving overall productivity (Nursyamsi, 2023).

Results study This in line with theory Yusuf, Budiyanto, and Agustedi (2022) and study Suandi and Fung (2022) emphasized that work ethics foster disciplined work habits and positively impact productivity. Another study by Palendeng, Mundung, and Pontoh (2022) showed that while work ethics influence productivity, other factors such as work experience, leadership, and organizational policies also contribute. productivity employee. Furthermore, Faregh, Jahanian, and Salimi (2021) found that work ethics are positively related to productivity but are not the main factor in improving individual performance. Overall, although work ethics reflect moral values and professionalism that foster discipline and responsibility, their impact on productivity remains limited because of the presence of other, more dominant factors. A strong work ethic helps create a harmonious and collaborative work environment; however, productivity is also influenced by other aspects. Therefore, although important, work ethic is not the sole factor determining employee productivity at PERUMDA BPR Majalengka.

4.6.2 Influence Compensation Non-Financial To Productivity Work

The partial test results show that non-financial compensation has a positive and significant influence on the work productivity of PERUMDA BPR Majalengka employees, with a contribution of 23.42%. Although non-financial compensation was rated "very high" by respondents with a total score of 1,115, this does not make it a dominant factor in determining work productivity, because there are

still other factors, such as the work environment, leadership, and organizational policies, that also play a role. Non-financial compensation contributes significantly to employee performance when supported by job satisfaction and a supportive work environment (Yarfak, Muryati, & Survival, 2025). The difference between the regression results and respondents' responses can be explained by the difference in data scale, where non-financial compensation is measured with an ordinal scale, which is subjective in nature, while temporary productivity work is measured on a more objective interval scale.

The results of this study are in line with the theory that non-financial compensation affects productivity at work, but is not the only major factor. Adil, Sendow, and Lumintang (2018) explain that compensation is a form of appreciation for employees, both financial and non-financial, which tends to be perceived differently by each individual. Previous research by Waruwu and Th (2025) confirmed that although non-financial compensation increases motivation and job satisfaction, other factors are more dominant in determining work productivity. This research is also in line with studies by Priadi (2020); Suroto, Utari, and Indrawati (2023), which show that non-financial compensation is positively related to productivity. Work. Employees who feel valued tend to be more bound to their work, thus supporting increased productivity.

Overall, although non-financial compensation plays a role in increasing employee motivation, satisfaction, and loyalty, which indirectly contributes to productivity. However, the results of this study confirm that although compensation non although non-financial factors are highly valued by respondents, their quantitative influence remains limited, with a coefficient of determination of only 23.42%, indicating that other factors also play an important role in determining work productivity. Ethical compensation practices strengthen employee trust and motivation, which in turn enhance productivity and organizational sustainability (Jayeoba et al., 2025). Empirical findings indicate that non-financial compensation contributes to improved employee performance, even when moderated by job satisfaction (Yarfak et al., 2025).

5. Conclusions

5.1 Conclusion

Based on the results of the analysis and discussion presented previously, the following conclusions can be drawn: work ethics has a positive and significant influence on the work productivity of PERUMDA BPR Majalengka employees, meaning that the better the work ethics of employees, the higher the level of work productivity achieved. In addition, non-financial compensation has a positive and significant effect on employee work productivity at Regional Public Company BPR Majalengka, indicating that the better the non-financial compensation provided by the company, the higher the employees' productivity.

Beyond these findings, this study provides an important scientific contribution by offering empirical evidence that both work ethics and non-financial compensation meaningfully shape employee productivity within public-sector banking institutions, a context that has received limited attention in previous research. The results also strengthen theoretical perspectives suggesting that ethical behavior supports consistent performance, while non-financial rewards enhance intrinsic motivation and commitment. These findings indicate that improvements in recognition, developmental opportunities, and supportive work environments can directly contribute to enhancing employee motivation and productivity. From a managerial standpoint, organizations should reinforce structured programs that cultivate ethical behavior and strengthen non-financial reward mechanisms to optimize employee performance.

5.2 Research Limitations

This study has several limitations, the sample was limited to employees of PERUMDA BPR Majalengka, which may not be representative of other sectors or regions, limiting generalizability. Second, the cross-sectional design captures data at one point in time, so it cannot assess long-term effects or causality. Self-reported data also introduces potential biases, such as social desirability or

response bias. Future research could use objective performance metrics or multiple data sources to address this. The study focused only on work ethics and non-financial compensation, while other factors, such as financial compensation and organizational culture, may also impact productivity. Additionally, demographic variables like age, gender, and work experience were not considered but could provide deeper insights. The research was also limited to one organization, and future studies should include multiple organizations to improve external validity. Lastly, incorporating qualitative methods, such as interviews or focus groups, could offer a richer understanding of the findings. Addressing these limitations would enhance the depth and applicability of future research.

5.2 Suggestions and Directions for Future Research

Based on the results of the research and discussions that have been carried out, the researcher provides several suggestions that are expected to be useful and provide input and consideration for interested parties. First, regarding the improvement of employee work ethics, there are a number of statements with scores below the average; based on this condition, companies are advised to hold regular training to increase employee awareness of the importance of discipline and responsibility in the workplace. In addition, award and sanction systems must be implemented to motivate employees, while building a collaborative work culture and open communication is also crucial for creating a more conducive work environment. Regular evaluations through surveys or focus groups can help companies understand the challenges of implementing work ethics.

Second, concerning the optimization of non-financial compensation, there are several statements with scores below the average; therefore, companies can provide tangible rewards, such as certificates, promotion opportunities, and incentives in the form of additional benefits for high-performing employees. A more comfortable work environment, such as adequate break rooms and a positive atmosphere, can also increase employee satisfaction. Furthermore, companies should expand training and skills development programs and consider work flexibility to support the work-life balance. Third, related to the evaluation and development of employee management systems, companies need to increase transparency in their promotion and performance appraisal systems so that employees have equal opportunities for development.

Internal communication between management and employees must also be strengthened so that policies related to work ethics and compensation are understood and implemented effectively. In addition, periodic employee satisfaction surveys should be conducted to evaluate the effectiveness of existing policies and adapt them to workforce needs, as this approach allows companies to build a more effective work environment and encourage employee professional development. For further research, it is recommended to add other variables to gain a broader understanding of the factors influencing work productivity. Furthermore, the research could be expanded to include demographic factors, such as age and work experience. Using more diverse methods, such as qualitative studies or in-depth interviews, could provide more comprehensive insights.

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