

The Influence of Non-Financial Compensation and Competence on Employee Performance with Organizational Commitment as an Intervening Variable at PT Rangka Jaya Kontruksi

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Abstract

The growth of infrastructure in West Java has driven the expansion of the increasingly competitive construction sector. PT. Rangka Jaya Kontruksi Klapanunggal, as one of the construction companies in the region, faces challenges in maintaining employee performance, especially due to the decline in performance that occurred in 2023 compared to previous years. This decline can be seen in several key indicators, such as accuracy in completing tasks, teamwork, and compliance with occupational safety and health (K3) policies. This condition reflects the importance of a human resource management strategy that not only focuses on financial aspects, but also includes non-financial compensation, competency development, and strengthening organizational commitment. This study aims to analyze the effect of non-financial compensation and competency on employee performance, with organizational commitment as a mediating variable. The research method used is a quantitative approach by distributing questionnaires to 106 employees. The results of the study show that non-financial compensation and competency have a positive and significant effect on organizational commitment and employee performance. In addition, organizational commitment is proven to significantly mediate the relationship between the two independent variables and performance. These findings emphasize the importance of implementing a non-material reward system such as training, work flexibility, and achievement recognition, as well as project-based competency development. An organizational culture that encourages emotional attachment is also key to improving performance sustainably. Integration of these three aspects is necessary to strengthen the competitiveness of companies in the construction industry.

1. Introduction

Infrastructure development in Indonesia, especially in West Java, has experienced significant development in recent years. This is marked by the increasing number of construction projects aimed at supporting economic growth and improving connectivity between regions. In the context of increasingly fierce competition in the construction industry, companies are required to be able to maintain and improve their organizational performance. PT. Rangka Jaya Kontruksi as a construction company based in Klapanunggal, West Java, faces the same challenges in an effort to maintain its competitiveness amidst increasingly intense competition. Employee performance is a key factor in determining the success of a company in achieving its

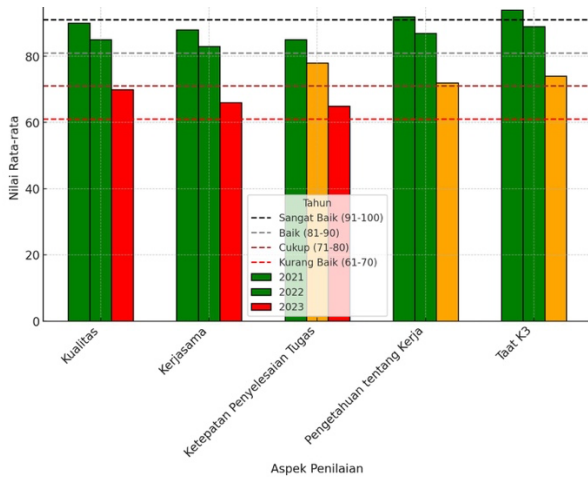
organizational goals. The performance of PT. Rangka Jaya Kontruksi employees experienced a decline in 2023 from employee performance in the previous year.

In a company, performance is measured using performance appraisal standards as a guideline for evaluating employee work results. " *Performance appraisal is the process by which an organization evaluates individual job performance*". The meaning of this statement is that performance appraisal is a process by which an organization evaluates the work results of individual employees. So a performance appraisal must be carried out through a certain process as determined by each company (Kasmir, 2021). PT. Rangka Jaya Kontruksi uses performance appraisal standards as a benchmark for the performance of its employees. The following are the

standards and results of employee performance appraisals at PT. Rangga Jaya Kontruksi from 2021 to 2023:

Figure 1.1

Employee Performance Assessment of PT. Rangga Jaya Construction (2021-2023)



Source: PT. Rangga Jaya Construction 2021-2023

To provide a more detailed picture of the employee performance assessment of PT Rangga Jaya Konstruksi, here is the complete data of the evaluation results from 2021 to 2023. This table includes monthly values for each aspect of the assessment, annual averages, and performance categories for each aspect. It will be seen how each aspect of performance has changed from year to year.

Table 1.1

Employee Performance Assessment of PT. Rangga Jaya Construction (2021-2023)

Aspek Penilaian	Jan	Feb	Mar	Apr	Mei	Jun	Jul	Ag	Sep	Okt	Nov	Des	Rata-rata	Kategori
Tahun 2021														
Kualitas	85	88	88	89	91	91	88	91	87	90	86	94	90	Baik
Kerjasama	91	87	88	86	92	89	91	89	83	83	91	91	88	Baik
Ketepatan Penyelesaian Tugas	83	88	82	86	85	87	88	84	80	82	89	87	85	Baik
Pengetahuan tentang Kerja	92	94	95	90	87	87	96	90	93	88	89	87	92	Sangat Baik
Taat K3	93	89	96	89	89	90	90	94	95	93	89	89	94	Sangat Baik
Tahun 2022														
Kualitas	82	81	84	89	85	86	83	86	87	80	85	87	85	Baik
Kerjasama	82	81	79	83	83	78	86	83	80	81	81	80	83	Baik
Ketepatan Penyelesaian Tugas	82	75	75	76	79	76	81	73	80	79	74	80	78	Cukup
Pengetahuan tentang Kerja	82	90	90	83	88	91	84	88	91	90	85	82	87	Baik
Taat K3	85	84	88	88	90	92	92	86	86	86	87	91	89	Baik
Tahun 2023														
Kualitas	70	72	65	72	68	65	72	68	70	72	68	67	70	Kurang Baik
Kerjasama	71	65	71	64	64	64	68	65	71	66	63	66	68	Kurang Baik
Ketepatan Penyelesaian Tugas	60	64	63	67	67	66	62	60	60	62	65	66	65	Kurang Baik
Pengetahuan tentang Kerja	72	72	69	72	74	68	71	67	67	71	69	72	72	Cukup
Taat K3	72	71	69	69	73	74	71	77	73	76	69	73	74	Cukup

Source: PT. Rangga Jaya Construction 2021-2023

Based on Table 1.1 regarding employee performance assessment at PT Rangga Jaya Konstruksi, it can be seen that there are several

aspects of performance that have decreased in 2023 compared to previous years. The evaluation results show that several aspects are in the less than good category, while other aspects are still in the sufficient category. Aspects that have experienced a significant decline are in the accuracy of completing tasks, cooperation, and compliance with K3 policies, which have an impact on overall productivity.

According to the research results of (Sembel, Adolfin & Taroreh, 2022), providing financial and non-financial compensation is very important for companies in motivating employees. Based on previous research (Sembel, 2021), non-financial rewards such as work recognition, work-life balance, and career development opportunities play an important role in increasing employee motivation and loyalty. At PT. Rangga Jaya Konstruksi, the implementation of non-financial compensation still needs to be improved. Some employees feel that the company has not fully provided proper rewards in non-financial forms, such as training opportunities, work flexibility, or career development programs. This causes decreased work motivation, especially for employees who want to improve their skills but do not get adequate support from the company.

A study by Suristya and Adi (2021) showed that high competence is positively correlated with performance. The competence of PT. Rangga Jaya Kontruksi employees is also one of the main challenges, especially in terms of accuracy in completing tasks. Low competence in several aspects of work indicates that the company needs to improve training programs and skills development for employees so that they can be more productive in carrying out their duties.

Dharma and Susilawati's (2024) research highlights the importance of organizational commitment in building employee loyalty and engagement. In terms of organizational commitment, several problems are still found where employees feel less emotional and professional attachment to the company. Lack of employee involvement in decision-making and minimal effective communication between

management and employees are factors that cause low levels of loyalty. As a result, some employees feel less motivated to make maximum contributions to the company.

Based on the problems that have been explained, the researcher is interested in conducting a study entitled "The Effect of Non-Financial Compensation and Competence on Employee Performance with Organizational Commitment as an Intervening Variable at PT. Rangka Jaya Kontruksi Klapanunggal".

2. Literature Review

2.1 Non-Financial Compensation

Non-financial compensation refers to non-monetary rewards provided by organizations to employees, including recognition, responsibilities, career development, and a supportive work environment. It encompasses psychological and social satisfaction derived from work, as well as organizational policies that foster employee well-being.

According to Hasibuan (2012), factors influencing non-financial compensation include labor supply and demand, organizational financial capacity and willingness, employee productivity, cost of living, government regulations, and job characteristics.

- **Job-Related Compensation:** challenging and meaningful work.
- **Recognition:** verbal praise, awards, and acknowledgments.
- **Responsibility:** trust in decision-making and leadership roles.
- **Career Development:** training, certification, and promotion opportunities.
- **Work Environment:** physical comfort, coworker relationships, and workplace facilities.

2.2. Competence

Competence is the integration of knowledge, skills, attitudes, and behaviors that enable individuals to perform their duties effectively. It includes both technical (hard skills) and interpersonal (soft skills) competencies, which can be developed through training and experience.

Competence is shaped by personal values and beliefs, experience, personality traits, skillsets, motivation, emotional conditions, and intellectual capacity.

- **Skills:** technical ability, communication, teamwork, problem-solving.
- **Knowledge:** procedural and technical understanding, innovation, and learning agility.
- **Self-Concept:** self-confidence, organizational commitment, achievement orientation, integrity.
- **Traits:** discipline, adaptability, resilience, initiative.
- **Motive:** work initiative, achievement drive, enthusiasm, goal commitment.

2.3. Organizational Commitment

Organizational commitment refers to the psychological and emotional attachment of employees to their organization, characterized by their willingness to work hard, demonstrate loyalty, and take responsibility for achieving organizational objectives. According to Sari et al. (2024), organizational commitment is influenced by performance appraisal systems, competence, job satisfaction, organizational justice, corporate culture, leadership, career advancement opportunities, and the work environment. Dimensions and Indicators:

- **Affective Commitment:** emotional attachment, sense of belonging, pride in the organization.
- **Continuance Commitment:** awareness of the costs associated with leaving the organization.
- **Normative Commitment:** moral obligation and ethical considerations to remain with the organization.

3.4. Employee Performance

Employee performance refers to the outcomes of individual work as measured against organizational standards. It is not only about quantity and quality but also includes behavioral contributions, efficiency, and alignment with organizational goals. Influencing Factors:

- **Individual Factors:** ability, background (education, training), demographics.
- **Psychological Factors:** perception, motivation, attitude, personality, learning.
- **Organizational Factors:** available resources, leadership, reward systems, organizational structure, and job design.

Dimensions and Indicators:

- **Work Quality:** accuracy, consistency, error minimization.
- **Work Quantity:** volume of work completed, productivity, target achievement.
- **Timeliness:** meeting deadlines, prioritizing tasks, minimizing delays.
- **Effectiveness:** goal achievement, efficient resource use, decision-making ability.
- **Independence:** initiative, decision-making, accountability.

2.5. The Relationship Between Variables (Research Hypotheses)

This study aims to examine the influence of non-financial compensation and competence on employee performance, with organizational commitment as a mediating variable in the context of PT. Rangka Jaya Konstruksi. Proposed Hypotheses:

- **H1:** Non-financial compensation significantly influences organizational commitment.
- **H2:** Competence significantly influences organizational commitment.
- **H3:** Non-financial compensation significantly influences employee performance.
- **H4:** Competence significantly influences employee performance.
- **H5:** Organizational commitment significantly influences employee performance.
- **H6:** Non-financial compensation influences employee performance through organizational commitment.
- **H7:** Competence influences employee performance through organizational commitment.

3. Research Methodology

3.1. Place and Time of Research

This study was conducted at PT Rangka Jaya Konstruksi, located in Klapanunggal, West Java. The company was selected due to its relevance and direct relationship to the research topic titled "The Effect of Non-Financial Compensation and Competence on Employee Performance with Organizational Commitment as an Intervening Variable." The research was conducted from October 2024 to March 2025, encompassing the preparation, implementation, and data processing stages, aiming to obtain valid and relevant data aligned with the research objectives.

3.2. Research Design

a. Research Approach

This study applies a quantitative approach, which emphasizes the collection and analysis of numerical data to objectively and measurably explain the relationship between variables. The primary objective is to test preformulated hypotheses through systematic and standardized procedures, producing findings that are generalizable to a broader population.

According to Kusumastuti, Khoiron, and Achmadi (2020), quantitative research is a scientific method involving numerical data to identify patterns, test causal relationships, and generalize findings. Siroj Rusydi et al. (2021) emphasize that quantitative research incorporates controlled variables and structured analysis to explain social phenomena objectively. Sugiyono (2018) defines quantitative methods as research methods grounded in positivism philosophy, emphasizing objectivity, random sampling, and statistical data analysis. This study uses structured instruments such as questionnaires and applies statistical analysis to measure and explain causal relationships between variables systematically.

b. Research Method

The study utilizes a descriptive quantitative method. According to Wijayanti

and Mulyana (2021), research methods are systematic procedures used to achieve research goals. This approach offers a structured, factual, and accurate depiction of relationships between variables using numerical data. This study analyzes the effect of X1 (non-financial compensation) and X2 (competence) on Y (employee performance) through the intervening variable Z (organizational commitment), employing statistical techniques for interpretation.

c. Research Object

According to Rahmawati and Susanto (2021), the research object is the core element or phenomenon of interest. In this study, the object is the employees of PT Rangka Jaya Konstruksi. The company was selected due to its dynamic HR practices and its relevance to the research variables. The variables include X1 (non-financial compensation) and X2 (competence) as independent variables, Z (organizational commitment) as the intervening variable, and Y (employee performance) as the dependent variable. The study follows an explanatory design and uses validated instruments for data collection and hypothesis testing.

3.3. Operationalization of Variables

Variables define differences among studied units. Operationalization is essential to convert abstract concepts into measurable indicators, ensuring clarity, reliability, and validity.

3.4. Population, Sample, and Sampling Method

a. Population

According to Harahap and Rinaldi (2021), the population refers to all entities sharing specific characteristics relevant to the research. This study targets all 106 employees of PT Rangka Jaya Konstruksi.

b. Sample

Based on Sugiyono (2021), when the population size is manageable, a census method

is applicable. This study uses all 106 employees as the sample, ensuring representativeness and comprehensive data.

d. Sampling Method

The study uses the census method, involving all population members. According to Arikunto (2021), this method is ideal for small populations, enhancing accuracy and minimizing bias.

3.5. Data Collection Method

According to Sugiyono (2016), data collection aims to obtain valid and reliable data. This study utilizes questionnaires as the primary method. The instrument includes a Likert scale (1 to 5) to measure respondents' perceptions, with scoring as follows:

Statement Level	Code	Score
Strongly Agree	SA	5
Agree	A	4
Neutral	N	3
Disagree	D	2
Strongly Disagree	SD	1
<i>Source: Sugiyono (2018)</i>		

3.6. Instrumentation of Research Variables

a. Validity Test

Validity measures the extent to which an instrument reflects the intended construct. Arikunto (2016) suggests an instrument is valid if the correlation coefficient (r) ≥ 0.30 .

b. Reliability Test

Reliability refers to response consistency. A Cronbach's Alpha ≥ 0.60 indicates high reliability.

3.7. Hypothesis Testing and Analysis Techniques

The study employs SPSS software to perform descriptive statistics, classical assumption tests, path analysis, and hypothesis testing, including the Sobel test for mediation.

a. Descriptive Statistical Analysis

Describes variables through mean, standard deviation, maximum, and minimum values (Ghozali, 2016).

b. Classical Assumption Tests

- **Normality Test:** Kolmogorov-Smirnov method. Data is normal if significance > 0.05.
- **Multicollinearity Test:** No multicollinearity if VIF < 10 and Tolerance > 0.10.
- **Heteroscedasticity Test:** Absence of heteroscedasticity indicated by random scatterplot distribution.

c. Path Analysis

Based on Ghozali (2017), path analysis identifies direct and indirect effects:

- **Model 1** ($Z = \beta_{zx1}X_1 + \beta_{zx2}X_2 + \epsilon$)
- **Model 2** ($Y = \beta_{yx1}X_1 + \beta_{yx2}X_2 + \beta_{yz}Z + \epsilon$)

Hypotheses are tested using t-tests and F-tests. Indirect effects are computed as ($P_{zx1} \times P_{yz}$).

3.8 Hypothesis Testing

a. Coefficient of Determination (R^2)

Measures how well independent variables explain the dependent variable. R^2 closer to 1 indicates strong explanatory power.

b. t-Test (Partial Test)

Tests individual influence. If t-calculated > t-table and $p < 0.05$, the variable significantly affects the dependent variable.

c. F-Test (Simultaneous Test)

Assesses combined influence of independent variables. F-calculated > F-table indicates significance.

4. Results and Discussion

4.1. Research Results

4.1.1 Descriptive Statistical Analysis

Descriptive statistical analysis is all data that has been collected as it is through statistical measurements poured into words or schemes, then described so that it can provide realistic clarity. This analysis aims to provide a description or picture of data in variables seen from the average value (*mean*), standard deviation, maximum, and minimum.

The results of the descriptive statistical analysis for each statement item in each variable can be seen in table 4.2 below:

Table 4.2
Descriptive Statistical Analysis Results

Variables	Indicator	Symbol	N	Min	Max	Mean	Std. Deviation
Financial Compensation (X1)	Compensation	X1.1	106	3.00	5.00	4.63	0.57
	Confession	X1.2	106	3.00	5.00	4.68	0.54
	Responsibility	X1.3	106	2.00	5.00	4.64	0.66
	Development Career	X1.4	106	3.00	5.00	4.69	0.58
	Work environment	X1.5	106	3.00	5.00	4.72	0.53
Competence (X2)	Skills	X2.1	106	3.00	5.00	4.75	0.51
	Knowledge	X2.2	106	3.00	5.00	4.64	0.65
	Self Concept	X2.3	106	3.00	5.00	4.62	0.62
	Characteristic	X2.4	106	2.00	5.00	4.47	0.71
	Motive	X2.5	106	3.00	5.00	4.67	0.60
Organizational Commitment (Z)	Effective Commitment	Z1.1	106	3.00	5.00	4.65	0.60
	Commitment Sustainable	Z1.2	106	3.00	5.00	4.64	0.66
	Normative Commitment	Z1.3	106	3.00	5.00	4.44	0.68
	Quality of Work	Y1.1	106	3.00	5.00	4.45	0.66

Employee Performance (Y)	Quantity of Work	Y1.2	106	3.00	5.00	4.48	0.67
	Punctuality	Y1.3	106	3.00	5.00	4.46	0.65
	Effectiveness	Y1.4	106	3.00	5.00	4.60	0.66
	Independence	Y1.5	106	3.00	5.00	4.39	0.68
Total.	Total.		106				
Valid N (listwise)			0				

Source: SPSS Output (Processed data, 2025)

Information:

X1 : Non-Financial Compensation
X2 : Competence
Z : Organizational Commitment
Y : Employee Performance

Table 4.2 shows the minimum, maximum, average, median and standard deviation values for each variable. From the results of the data analysis above, it can be concluded as follows:

1. Non-Financial Compensation (X1)

All non-financial compensation indicators have a mean value of 4.63–4.72 (scale 2–5), indicating that employees are very satisfied with the existing program. The work environment (X1.5) is the best aspect (mean: 4.72), followed by career development (X1.4: 4.69) and recognition (X1.2: 4.68). The low standard deviation (0.53–0.66) indicates that almost all respondents agree with the positive assessment. The work environment (X1.5) and recognition (X1.2) have the smallest deviations (0.53 and 0.54), indicating a strong consensus. The current non-financial compensation program is very effective and highly appreciated by employees. Minor adjustments are needed in the aspects of responsibility and compensation to achieve optimal results.

2. Competence (X2)

The average score of all indicators is in the range of 4.47–4.75 (scale 2–5), indicating a very high level of employee competence. Skills (X2.1) is the strongest aspect with a mean of 4.75 (almost perfect). Trait (X2.4) has the lowest mean (4.47), but is still included in the good category. The standard deviation is relatively small (0.51–0.71), indicating a strong consensus

among respondents. Skill (X2.1) was the most consistent (std. dev = 0.51). Trait (X2.4) had the highest variability (std. dev = 0.71), indicating little difference in perception. Employee competency is generally very satisfactory, with skills as a superior aspect.

3. Organizational Commitment (Z)

Employee commitment is at a very high level with an average score between 4.44 to 4.65 (scale 3–5). Affective Commitment (Z1.1) recorded the highest score (4.65), followed by Continuance Commitment (Z1.2: 4.64) and Normative Commitment (Z1.3: 4.44). There were no scores below 3.00, indicating that no respondents had low commitment. The standard deviations are relatively low (0.60–0.68), indicating that respondents tend to agree in their assessments. Affective Commitment (Z1.1) has the smallest deviation (0.60), indicating strong consensus. Normative Commitment (Z1.3) has the highest deviation (0.68), indicating little variation in perceptions.

The organization has succeeded in building strong employee commitment, especially in the emotional and rational aspects. Thus, the organization can continue to maintain employee commitment while strengthening its normative basis.

4. Employee Performance (Y)

Employee performance is at a very good level with an average score of 4.39 to 4.60 (scale 3–5). Effectiveness (Y1.4) recorded the highest score (4.60), followed by Quantity of Work (Y1.2: 4.48) and Punctuality (Y1.3: 4.46). Independence (Y1.5) has the lowest score (4.39), but is still in the very good category. The standard deviation is relatively low (0.65–0.68),

indicating that respondents tend to agree in assessing employee performance. Timeliness (Y1.3) has the smallest deviation (0.65), indicating a strong consensus. Independence (Y1.5) had the highest deviation (0.68), indicating little variation in assessment. Overall employee performance is very satisfactory, with effectiveness as the strongest aspect. Independence is an area with potential for improvement, although it is already at a good level.

4.1.4. Data Analysis and Hypothesis Testing

Data analysis is the process of processing, understanding, and concluding information from collected data. The goal is to identify relevant patterns, relationships, or trends in the data to answer research questions

or verify assumptions. The measuring instruments used in this study are adjusted to the relationship between variables and research objectives. The following are the variable instruments in this study:

a. Validity Test

Validity testing aims to determine the validity of the questionnaire used in measuring and obtaining research data from respondents. Good data for research is valid data. The criteria for testing validity are as follows:

- Significance value < 0.05 : Conclusion is valid
- Significance Value > 0.05 : Conclusion is invalid

The following are the results of the validity test according to the processed results using the IBM SPSS application as stated in Table 4.3 below:

Table 4.3
Validity Test Results

Variables	Indicator	Symbol	<i>p-Value</i>	Results	Conclusion
Non-Financial Compensation (X1)	Compensation	X1.1	0.00	< 0.005	Valid
	Confession	X1.2	0.00	< 0.005	Valid
	Responsibility	X1.3	0.00	< 0.005	Valid
	Career Development	X1.4	0.00	< 0.005	Valid
	Work environment	X1.5	0.00	< 0.005	Valid
Competence (X2)	Skills	X2.1	0.00	< 0.005	Valid
	Knowledge	X2.2	0.00	< 0.005	Valid
	Self Concept	X2.3	0.00	< 0.005	Valid
	Characteristic	X2.4	0.00	< 0.005	Valid
	Motive	X2.5	0.00	< 0.005	Valid
Organizational Commitment (Z)	Effective Commitment	Z1.1	0.00	< 0.005	Valid
	Ongoing Commitment	Z1.2	0.00	< 0.005	Valid
	Normative Commitment	Z1.3	0.00	< 0.005	Valid
Employee Performance (Y)	Quality of Work	Y1.1	0.00	< 0.005	Valid
	Quantity of Work	Y1.2	0.00	< 0.005	Valid
	Punctuality	Y1.3	0.00	< 0.005	Valid
	Effectiveness	Y1.4	0.00	< 0.005	Valid
	Independence	Y1.5	0.00	< 0.005	Valid
Valid N (<i>listwise</i>)					

Source: SPSS 26 processed results from primary data

When the p -value < 0.05 in the validity test then:

- The instrument or item being tested is significantly related to the variable or total score.
- The instrument is considered valid and can

be used to collect data in research.

b. Reliability Test (Cronbach's Alpha)

Reliability Test with SPSS using Likert scale aims to measure the internal consistency of a series of questions (items) in the

questionnaire. Internal consistency shows the extent to which items in one variable or dimension provide consistent results.

The decision-making criteria for reliability testing can be explained as follows:

- If the Cronbach's Alpha value ≥ 0.70 , then the instrument is declared reliable.
- If the Cronbach's Alpha value < 0.70 , the instrument is considered less reliable.

Table 4.4 Reliability Statistics	
Cronbach's Alpha	Total Items
.835	18

The data in Table 4.4 shows the results of the reliability test using Cronbach's Alpha to measure the internal consistency of 18 items in the research instrument (e.g. questionnaire). Here is the interpretation:

- The value of 0.835 indicates that the research instrument has good internal consistency .
- With 18 items, this value is very satisfactory, because:
 - The more items, the more difficult it is to achieve high α (the risk of inconsistency increases).
 - Values above 0.80 indicate that the items measure the same construct coherently.

The implication of this value shows that the instrument can be trusted to measure the intended variables. The overall quality of the items is good so that it is suitable for the majority of items that contribute positively to consistency. The results of the reliability test show good internal consistency ($\alpha = 0.835$), exceeding the threshold of 0.70 recommended by Nunnally (1978). Thus, this instrument can be trusted to measure the variables in this study. With a value like this, the analysis can be continued with confidence that the data collected *is reliable* .

The results of the reliability test showed a Cronbach's Alpha value of 0.835 for all 18 items, which means the instrument has high internal consistency. Thus, this questionnaire is

declared reliable to measure the Effect of Non-Financial Compensation and Competence on Employee Performance with Organizational Commitment as an Intervening Variable at PT. Rangka Jaya Kontruksi Klapanunggal.

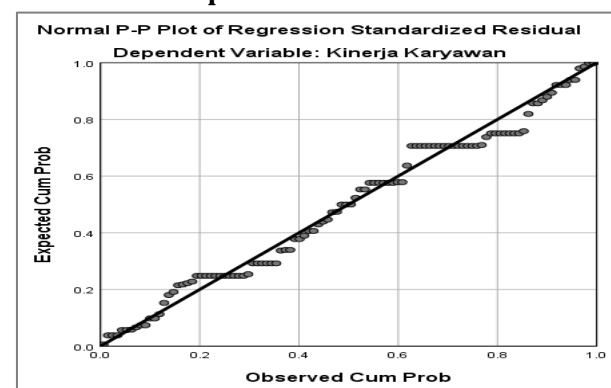
4.1.5. Analysis Requirements Test (Classical Assumption Test)

The classical assumption test is used to prove that the multiple linear regression equation model is econometrically acceptable because it meets the BLUE (*Best Linear Unbiased Estimator*) estimate, meaning the estimate is unbiased, linear and consistent. The assumption test consists of normality, multicollinearity, heteroscedasticity and autocorrelation tests. The linear regression model can be called a good model (has accuracy in estimation, is unbiased and consistent) if the model meets the normality assumption and is free from classical assumption symptoms such as normality, multicollinearity, heteroscedasticity and autocorrelation.

a. Normality Test Results

The normality test aims to determine whether the dependent and independent variables in the regression model are normally distributed or not. Data is said to be normally distributed if the plotting data (dots) that describe the actual data follow a diagonal line. Data normality testing can use the *Probability Plot test*.

Figure 4.1
Probability Plot Test Results of Regression Data of Independent Variables against Dependent Variables



Based on the results of the probability plot test as shown in Graph 4.5 above, it can be

concluded that the regression model is normally distributed because the data points follow the diagonal line.

If the *probability plot test* with less confident results then it can be strengthened with the *Kolmogorov-Smirnov test* (KS Test). The Kolmogorov test aims to determine whether the residual value is normally distributed or not, with the following criteria:

- If the sig. KS test number > 0.05 then the data is said to be normally distributed.
- If the sig. number of KS test ≤ 0.05 then the data is not normally distributed.

Table 4.5:
Kolmogorov Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		93
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.97495358
Most Extreme Differences	Absolute	.294
	Positive	.145
	Negative	-.294
Test Statistic		.294
Asymp. Sig. (2-tailed) ^c		.241
a. Test distribution is Normal.		
b. Calculated from data.		

Based on the normality test as contained in Table 4.6, it can be concluded that the residual value is normally distributed. This is indicated by the *Asymp. Sig. (2-tailed)* value in the Unstandardized Residual column of 0.241 which is greater than the research significance value of 0.05 ($0.241 > 0.05$).

b. Multicollinearity Test Results

Multicollinearity, which is the presence of a very strong correlation between independent variables, is not expected, so testing is carried out to ensure that there is no multicollinearity that indicates that the independent variables are equal to each other (independent). According to Ghazali (2011), there are no symptoms of multicollinearity if the Tolerance value is > 0.100 and the VIF value is < 10.00 .

Table 4.6
Multicollinearity Test Results

		Collinearity Statistics
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Model		Tolerance	VIF
1	(Constant)		
	Financial Compensation	0.232	4.308
	Competence	0.246	4.514
a. Dependent Variable : Employee Performance			

Based on Table 4.7, the Non-Financial Compensation variable and have *tolerance values of 0.232 and 0.246* respectively . Furthermore, the VIF value of each variable is 4.308 and 4.514. This shows that all independent variables have tolerance values > 0.100 and have VIF values < 10.00 , which means there are no symptoms of multicollinearity. Thus, the regression model can be continued to the next testing stage.

c. Heteroscedasticity Test Results

The heteroscedasticity test is used to detect whether in the regression model there is inequality of variance and residual from one observation to another. Heteroscedasticity is not expected so that the test is carried out to prove that the multiple regression equation model does not have heteroscedasticity problems.

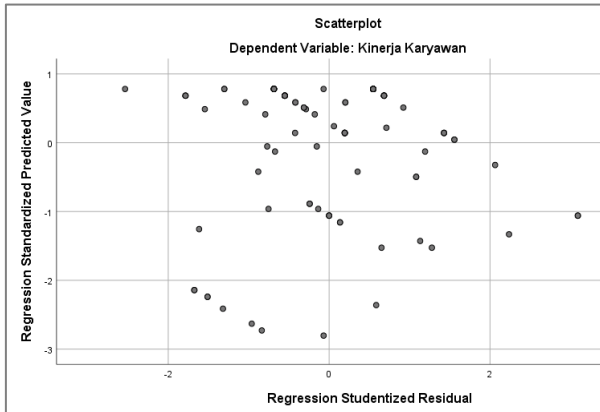
According to Ghazali (2011), heteroscedasticity does not occur if there is no clear pattern (wavy, widening then narrowing) in the scatter plot image and the points are spread above and below the number zero on the Y axis. The test is carried out graphically by looking at the points on the scatter plot graph. If the points are randomly spread and do not form a certain pattern such as a triangle, square, regular curve and so on, then this assumption test is met. The following are the results of the Scatterplot graph for the heteroscedasticity test.

Figure 4.8 shows that the points on the scatterplot graph do not form a particular pattern, and are spread above and below the number 0 (zero) on the Y axis, so it can be

concluded that there is no heteroscedasticity in the regression model.

Graph 4.7

Heteroscedasticity Test Results



4.2. Hypothesis Testing

After the results are obtained that the research model has met the model feasibility criteria, the next step is to test the hypothesis. The following is the hypothesis testing that will be carried out:

- Direct effect: Multiple linear regression equation model,
- Indirect Effect: Path Analysis

4.2.1. Multiple Linear Regression Analysis Equation

The multiple linear regression analysis equation aims to test how the independent variable directly influences the dependent variable. The results of the multiple linear regression analysis can be seen in the following table:

Table 4.8

Results of Multiple Linear Regression Analysis (Direct Effect) on Path Model I

Dependent Variable	Independent Variables	Unstandardized Coefficients		Standardized Coefficients	<i>t</i>	<i>Sig.</i>
		β	Std. Error	Beta		
Organizational Commitment (Z)	(Constant)	0.852	0.058		14,753	0.019
	Non-Financial Compensation (X1)	3.112	1.140	0.840	2,730	0.014
	Competence (X2)	0.442	0.082	0.706	5.382	0.000
Employee Performance (Y)	(Constant)	3.606	1,494		2.187	0.019
	Non-Financial Compensation (X1)	0.284	0.074	0.470	4.817	0.000
	Competence (X2)	0.267	0.065	0.280	4.137	0.000
Employee Performance (Y)	(Constant)	3,949	1.002		3,942	0.000
	Organizational Commitment (Z)	1,359	0.073	0.876	18,541	0.018

Coefficients table above, it is known that the significance value or *p-value* for Organizational Commitment (Z) and Employee Performance (Y) from the independent variables, namely:

- Non-Financial Compensation (X1) on Organizational Commitment (Z) is $0.014 < 0.05$. So it can be concluded that there is a direct significant influence of Non-Financial Compensation towards Organizational Commitment.
- Competence (X2) on Organizational

Commitment (Z) is $0.000 < 0.05$. So it can be concluded that there is a direct significant influence of Competence on Organizational Commitment.

- Non-Financial Compensation (X1) on Employee Performance (Y) is $0.000 < 0.005$. So it can be concluded that there is a direct significant influence of Non-Financial Compensation on Employee Performance.
- Competence (X2) on Employee Performance (Y) is $0.000 < 0.05$. So it can be concluded that there is a direct significant

influence of Non-Financial Compensation on Employee Performance .

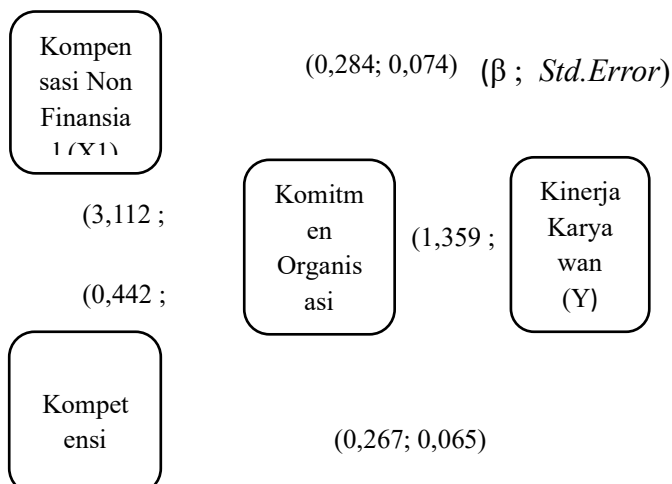
- e. Organizational Commitment (Z) on Employee Performance (Y) is $0.018 < 0.05$. So it can be concluded that there is a direct significant influence of Organizational Commitment on Employee Performance .

4.2.2. Path Test – Indirect Effect (Sobel Test)

Path Analysis is a statistical technique used to analyze the cause-and-effect relationship between variables in a more complex model. This analysis is often used to test theoretical models that describe how variables relate to and influence each other. This stage is to test how the independent variable indirectly influences the dependent variable.

Furthermore, to obtain the p-value of the indirect influence variable, the Sobel Test can be carried out. The Sobel Test is carried out by testing the strength of the indirect influence as follows:

- The Impact of Non-Financial Compensation on Employee Performance through Consumer Trust (Z1).
- The Influence of Marketing Innovation on Purchasing Decisions through Consumer Trust (Z2).



To test the significance (*p-value*) of the indirect influence of Z1 and Z2 using the Sobel Test, it is necessary to calculate the t value (t-count) using the following equation:

$$Z = \frac{a \cdot b}{\sqrt{b^2 \cdot SEa^2 + a^2 \cdot SEb^2}}$$

Where:

- a : Path regression coefficient between X (independent variable) and Z (mediator).
- b : Path regression coefficient between Z (mediator) and X (independent variable).
- SEa^2 : Standard error of the coefficient a
- SEb^2 : Standard error of the coefficient b

- The Influence of Non-Financial Compensation on Employee Performance through Organizational Commitment (Z1).

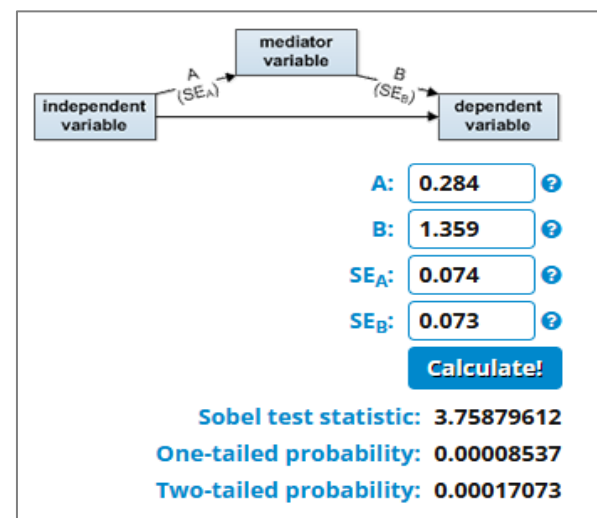
$$Z1 = \frac{a \cdot b}{\sqrt{b^2 \cdot SEa^2 + a^2 \cdot SEb^2}}$$

$$Z1 = \frac{0,284 \times 1,359}{\sqrt{(1,359^2 \times 0,074^2) + (0,284^2 \times 0,073^2)}}$$

$$Z1 = \frac{0,385956}{0,10267}$$

$$Z1 = 3,75919(\text{t-count}) \rightarrow 1.659 \text{ (t-table)}$$

Figure 4.2
Results of t-count and p-value (Z1) using the Sobel Test Calculator



From the calculation of the equation and the calculation using the Sobel Test calculator in Figure 4.2, the t-count is 3.7587 (t-count $3.7587 > \text{t-table } 1.659$) and the *p-value* is 0.000 (P-value $0.000 < 0.05$). So the conclusion of how Non-Financial Compensation Influences Employee Performance through Organizational Commitment is that Organizational Commitment has a significant effect in mediating Non-Financial Compensation on Employee Performance.

2. The Influence of Competence on Employee Performance through Organizational Commitment (Z2).

$$Z2 = \frac{a \cdot b}{\sqrt{b^2 \cdot SEa^2 + a^2 \cdot SEb^2}}$$

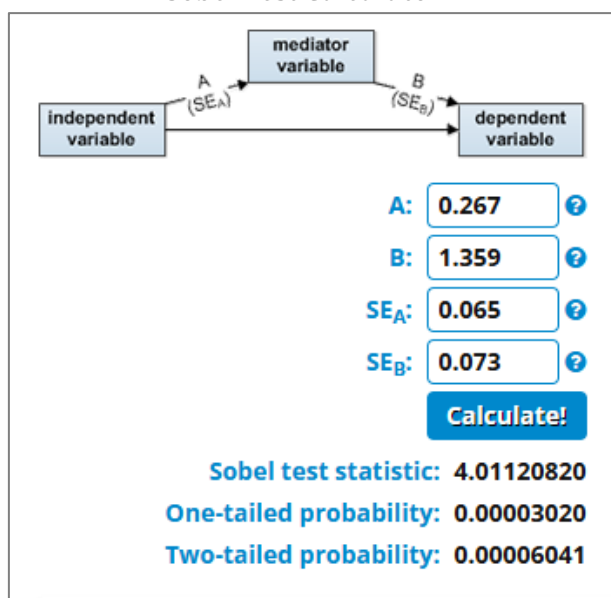
$$Z2 = \frac{0,267 \times 1,359}{\sqrt{(1,359^2 \times 0,065^2) + (0,267^2 \times 0,073^2)}}$$

$$Z2 = \frac{0,362853}{0,09045}$$

$$Z2 = 4.011642 (\text{t-count}) \rightarrow 1.659 (\text{t-table})$$

Figure 4.3

Results of *t*-count and *p*-value (Z2) using the Sobel Test Calculator



From the calculation of the equation and the calculation using the Sobel Test calculator in Figure 4.3, the *t*-count is 4.0112 (*t*-count 4.0112 > *t*-table 1.659) and the *p*-value is 0.000 (*P*-value 0.000 < 0.05). So the conclusion of how Competence influences Employee Performance through Organizational Commitment is that Organizational Commitment has a significant effect in mediating Competence on Employee Performance.

4.3 Discussion

Based on Table 4.9 below which is the research result, the following discussion can be carried out:

Table 4.9
Research result

Hypothesis	<i>p</i> -value	Conclusion
Non-Financial Compensation → Organizational Commitment	0.014	Have a significant impact
Competence → Organizational Commitment	0,000	Have a significant impact
Non-Financial Compensation → Employee Performance	0,000	Have a significant impact
Competence → Employee Performance	0,000	Have a significant impact
Organizational Commitment → Employee Performance	0.018	Have a significant impact
Non-Financial Compensation → Organizational Commitment → Employee Performance	0,000	Have a significant impact
Competence → Organizational Commitment → Employee Performance	0,000	Have a significant impact

a. The Influence of Non-Financial Compensation on Organizational Commitment

B based on the results of the data analysis you provided regarding the effect of Non-Financial Compensation (X1) on Organizational Commitment (Z) at PT. Rangka Jaya Konstruksi Klapanunggal, the significance value (*p*-value) is 0.014 < 0.05, which means H₀ is rejected and H_a is accepted. There is a statistically significant effect between Non-Financial Compensation on Organizational Commitment.

A positive regression coefficient indicates that increasing Non-Financial Compensation will increase employee Organizational Commitment. This means that when companies

provide non-material compensation (such as training, recognition, work-life balance, or a good work environment), employees tend to be more loyal and committed to the organization.

The construction industry often has challenges such as deadline pressure, physical risks, and high turnover rates. Non-financial compensation (e.g., safety programs, flexible hours, or performance-based rewards) can be a determining factor in building employee emotional engagement. This result is in line with the characteristics of construction employees who may be more motivated by non-material factors (such as feeling safe and appreciated) than just salary.

These findings reinforce the importance of a holistic HR policy, where compensation is not only in the form of material but also the fulfillment of psychological needs and career development. For PT. Rangga Jaya Konstruksi, these results can be the basis for designing a more effective employee retention strategy.

b. The Influence of Competence towards Organizational Commitment

Based on the results of data analysis, a significance value of $0.000 < 0.05$ was obtained indicating that H_0 was rejected and H_a was accepted. This indicates that employee competence has a significant and positive effect on Organizational Commitment.

The significant regression coefficient indicates that the higher the employee's competence, the stronger their commitment to the organization. The p value = 0.000 indicates that this effect is very statistically significant, even stronger than the effect of non-financial compensation.

Human Capital Theory (Becker, 1964) states that employees with high competence tend to be more valued by the organization, so that the return is greater loyalty and commitment. In a construction company such as PT. Rangga Jaya, technical competence (eg, expert building certification, heavy equipment operational skills) and soft skills (such as project management) are very crucial. Competent employees feel more confident and

recognized for their contributions, so they are more motivated to commit long term.

Competence is a strong predictor of organizational commitment at PT. Rangga Jaya Konstruksi, even more significant than non-financial compensation. Competent and committed employees will reduce turnover and improve the company's reputation in the competitive construction industry.

c. The Influence of Non-Financial Compensation on Employee Performance

The results of the study showed a significance value (p-value): $0.000 < 0.05$ meaning H_0 is rejected, H_a is accepted. Regression coefficient (β): 0.470, indicating a positive and significant influence. The coefficient of 0.470 indicates that every 1 unit increase in Non-Financial Compensation will increase Employee Performance by 0.470 units. Social Exchange Theory (Blau, 1964): Employees who feel cared for by the company through non-material compensation (such as recognition or training) will respond with better performance.

The construction industry often has physical challenges and deadline pressures. Non-financial compensation such as Workplace Safety Programs (increasing sense of security), Schedule flexibility (e.g. field shift adjustments), Non-monetary awards (e.g. "Best Employee of the Month") can be key drivers of performance in the field. This result is in line with the characteristics of construction employees who may be more motivated by non-material factors than just salary.

Non-Financial Compensation is a critical driver of Employee Performance at PT. Rangga Jaya Konstruksi, with a strong direct effect. Recommendations that can be given are to prioritize HR policies based on employee recognition and development rather than just focusing on financial incentives and combine non-financial compensation with a regular feedback system to monitor its impact on performance. This strategy is expected to reduce turnover and build employer branding in the competitive construction industry.

d. The Influence of Competence on Employee Performance

Based on the results of the regression test conducted in this study, the significance value (p-value) for the Competence variable (X2) on Employee Performance (Y) was obtained at 0.000, which means it is smaller than the set significance limit of 0.05. This value indicates that the influence between Competence and Employee Performance is statistically significant. In other words, Competence has a real direct influence on Employee Performance at PT. Rangka Jaya Kontruksi Klapanunggal.

These results strengthen the hypothesis that states that the higher the level of competence possessed by employees, the better the performance produced. The competence referred to in this context includes technical abilities, knowledge, skills, attitudes, and work behaviors that support individual productivity in completing their tasks and responsibilities. High competence allows employees to work more effectively, efficiently, and be able to adapt to various job demands.

This finding is also consistent with the Resource-Based View (RBV) theory which states that competent human resources are one of the company's strategic assets. In this case, individual competence becomes a differentiating factor that drives superior performance and competitive advantage of the company.

In addition, these results are also in line with various previous studies that show that competence has a positive and significant effect on employee performance. For example, research by Wibowo (2016) and Sutrisno (2018) shows that developing employee competence through training, work experience, and self-development can improve work quality, productivity, and initiative in completing work.

Thus, the management of PT. Rangka Jaya Kontruksi Klapanunggal needs to pay special attention to the management of employee competencies, either through training, coaching, mentoring, or continuous evaluation

of work performance. Investment in improving this competency not only has an impact on individual performance, but also helps to achieve the strategic goals of the organization as a whole.

e. The Influence of Organizational Commitment on Employee Performance

The test results in this study indicate that the variable Organizational Commitment (Z) has a significant effect on Employee Performance (Y). This is evidenced by a significance value of 0.018, which is smaller than the alpha value of 0.05. Thus, it can be concluded that there is a significant direct effect between Organizational Commitment and Employee Performance at PT. Rangka Jaya Kontruksi Klapanunggal.

This finding indicates that the higher the level of organizational commitment felt and owned by employees, the higher the performance they show. Organizational commitment in this context includes the extent to which employees have a sense of belonging, loyalty to the organization, and a strong desire to contribute maximally to the success of the company.

Theoretically, these results are in line with the affective theory of organization which states that employees who have high commitment tend to have strong emotional ties to the organization. This bond motivates them to provide optimal contributions, maintain the quality of work, and demonstrate positive work attitudes, such as discipline, responsibility, and high initiative.

From a practical perspective, employees who feel committed to the organization tend to:

- a. Demonstrate high work enthusiasm.
- b. Avoid counterproductive behavior such as unexcused absences.
- c. Maintain the company's reputation and good name.
- d. Able to withstand pressure and stay focused on achieving targets.

This result is also in line with previous research, such as that conducted by Meyer and Allen (1991) which stated that organizational

commitment, especially affective commitment (emotional commitment to the company), is positively and significantly correlated with employee performance. Likewise, research by Robbins and Judge (2015) emphasized that employee commitment to the organization is one of the main determinants in increasing work productivity.

f. The Influence of Non-Financial Compensation on Employee Performance through Organizational Commitment

The results of the Sobel Test calculation presented in Figure 4.2 show that the t-count value of 3.7587 is greater than the t-table value of 1.659, and the p-value of 0.000 is smaller than the significance level of 0.05. Thus, it can be concluded that Organizational Commitment significantly mediates (intervenes) the effect of Non-Financial Compensation on Employee Performance.

This finding provides an important meaning that non-financial compensation not only has a direct impact on performance, but also has an indirect impact through increasing organizational commitment. Non-financial compensation in this study includes aspects such as work recognition, a pleasant working environment, time flexibility, and career development opportunities. All of these contribute to the formation of positive employee perceptions of the company.

When employees feel appreciated and supported through adequate forms of non-financial compensation, feelings of emotional attachment, loyalty, and belonging to the organization will grow — known in organizational theory as affective commitment. This commitment is what drives employees to work harder, show high dedication, and produce optimal work performance.

This result also strengthens the Organizational Mediation Model which states that attitudinal variables such as organizational commitment can serve as a bridge between organizational policies (such as compensation) and employee performance outcomes. This means that providing good non-financial

compensation will not be effective if it is not accompanied by the creation of a sense of employee attachment to the organization.

This study is also supported by previous studies, such as those conducted by Allen & Meyer (1990) which stated that non-financial compensation can significantly increase affective commitment and lead to increased performance. Research by Robbins & Judge (2015) also states that non-material rewards such as praise, recognition, and management trust have a strong impact on employee motivation and work performance.

Practically, these results provide important managerial implications for PT. Rangka Jaya Kontruksi Klapanunggal, namely:

- a. Management must consider providing non-financial compensation as an integral part of human resource strategy.
- b. Non-financial forms of rewards such as best employee awards, verbal appreciation, or increased work responsibilities can strengthen employee commitment.
- b. The higher the organizational commitment, the greater the intrinsic drive of employees to contribute maximally to company performance.

Based on the results of statistical tests (t-count 3.7587 > t-table 1.659 and p-value 0.000 < 0.05), it can be concluded that Organizational Commitment significantly mediates the effect of Non-Financial Compensation on Employee Performance. This means that Organizational Commitment plays an important role as a pathway that strengthens the effect of non-financial compensation on performance, so companies need to consider strategies to increase commitment as part of sustainable human resource management.

g. The Influence of Competence on Employee Performance through Organizational Commitment

Based on the calculation results using the Sobel Test calculator shown in Figure 4.3, the t-value is 4.0112, which is greater than the t-table of 1.659. In addition, the p-value of 0.000 is much smaller than the significance limit of 0.05.

These results indicate that Organizational Commitment significantly mediates the effect of Competence on Employee Performance.

Thus, it can be concluded that employee competence not only has a direct influence on performance, but also has a significant indirect influence through increasing Organizational Commitment. This indicates that Organizational Commitment acts as an intervening variable that strengthens the relationship between Employee Competence and Performance.

The competencies referred to in this study include knowledge, skills, attitudes, and behaviors that are relevant to the job and the employee's ability to carry out tasks effectively. When employees have a high level of competency, they tend to be more confident, competitive, and able to complete work with optimal results. However, this competency advantage will have a more significant impact on performance if accompanied by a high level of organizational commitment.

Competent employees who have a strong commitment to the organization tend to:

- a. Aligning personal goals with the company's vision.
- b. Have intrinsic motivation to give your best.
- c. It is not easy to move to another company even if there are external opportunities.
- d. Willing to innovate, learn continuously, and demonstrate loyalty

In the theoretical framework, these results are in line with the three-component model of organizational commitment proposed by Meyer and Allen (1991). One of these components, namely affective commitment, plays an important role as a bridge between competence and work results. Employees who have high competence, if they also have strong affective commitment, will be more motivated to perform optimally because they feel emotionally attached to the organization.

The results of this study are also supported by previous studies, such as by Wibowo (2016) and Mangkunegara (2017), which emphasize that competence will contribute more to performance if accompanied by commitment to the organization. This means

that competence becomes more effective when mediated by psychological variables such as organizational commitment.

Based on the results of the mediation test using the Sobel Test ($t\text{-count } 4.0112 > t\text{-table } 1.659$ and $p\text{-value } 0.000 < 0.05$), it can be concluded that Organizational Commitment plays a significant role as a mediator in the relationship between Competence and Employee Performance. In other words, Organizational Commitment strengthens the positive influence of Competence on Employee Performance in the work environment of PT. Rangka Jaya Kontruksi Klapanunggal.

4.3 Managerial Implications

Based on the research findings on the Influence of Non-Financial Compensation and Competence on Employee Performance with Organizational Commitment as an Intervening Variable at PT. Rangka Jaya Kontruksi Klapanunggal, the following are managerial implications that can be applied:

a. Non-Financial Compensation Development Strategy

- (1) Management needs to redesign the non-financial compensation system so that it is not just a formality, but has a real impact on employee psychology and motivation.
- (2) Forms of compensation that need to be strengthened include: Recognition of achievements (e.g. public appreciation, monthly certificates), work flexibility (shift arrangements, additional leave when projects are completed early), training and career development programs to support satisfaction and loyalty, a work environment that supports mental and physical well-being, including aspects of work safety in field projects.
- (3) Companies need to integrate non-financial compensation with regular feedback mechanisms, so that management can assess its impact on employee behavior and performance.

b. Focus on Improving the Competence of Sharia Influencer Employees

- (1) Management needs to build a competency development program based on project needs, including periodic technical training (heavy equipment certification, modern construction methods) and strengthening soft skills such as time management, project leadership, and team communication.
- (2) Implement a competency-based career path system, so that employees see the connection between self-development and promotion opportunities and rewards.
- (3) Conduct quantitative and qualitative competency evaluations (through supervisor assessments and technical assessments) periodically as a basis for managerial decision making.
- (4) Link competency development with reward and promotion indicators to increase commitment and work performance.

c. Strengthening Organizational Commitment as a Strategic Bridge

- (1) Build an organizational culture that encourages a sense of belonging, through work culture programs, such as One Team, One Goal, open and supportive internal communication between superiors and subordinates and joint activities (team building) that strengthen emotional bonds.
- (2) Management needs to develop an organizational commitment evaluation system, for example through periodic surveys or in-depth interviews to measure the level of employee loyalty and satisfaction.
- (3) Placing project leaders or field supervisors who have a transformational leadership style will be crucial to increasing employee affection towards the organization.
- (4) Commitment can also be strengthened

by providing space for employee participation in small decision-making, such as a project idea/proposal system.

d. Optimizing Employee Performance through an Integrated Approach

- (1) Design a performance improvement strategy that integrates aspects of rewards, development, and empowerment.
- (2) Implement a performance appraisal system that not only focuses on output, but also work processes and behavior based on competency and commitment indicators.
- (3) Link performance evaluation results to individual and team contribution-based rewards.
- (4) It is necessary to establish a Project Human Resources Development Unit that focuses on monitoring field conditions, psychology, and employee technical performance routinely and holistically.

e. Retention and Employer Branding

- (1) Use these findings as a basis for developing retention strategies, such as developing a loyalty rewards program (3, 5, 10 years of service) or creating a mid-term career development package for high-potential employees.
- (2) Build the image of PT. Rangka Jaya Kontruksi Klapanunggal as a workplace that prioritizes the development and appreciation of human resources, which can increase the company's competitiveness in attracting and retaining the best talent.

f. Extending Implications to the Organizational Level

- (1) Use the results of this study as a reference for strategic HRD policies for the medium and long term.
- (2) Build an HR analytics dashboard that can monitor the relationship between compensation, competency, commitment, and performance in real-

time.

- (3) Apply the principles of data-based management (evidence-based HRM), namely that every HR policy is based on measurable analysis results, not just manager assumptions.

Conclusion

5.1. Conclusion

Based on the results of research conducted by researchers on the Influence of Non-Financial Compensation and Competence on Employee Performance with Organizational Commitment as an Intervening Variable at PT. Rangga Jaya Kontruksi Klapanunggal using descriptive analysis methods and multiple linear regression, the following conclusions can be obtained:

1. The Influence of Non-Financial Compensation on Organizational Commitment non-financial compensation has a significant effect on employee organizational commitment. Thus, there is a positive and statistically significant relationship between the provision of non-material compensation and the level of employee commitment to the company. These results emphasize the importance of a holistic approach to human resource management. Compensation is not only viewed from the material side, but also includes the fulfillment of psychological aspects and employee career development. Therefore, for PT. Rangga Jaya Kontruksi, the results of this study are a strong basis for designing employee retention strategies that do not only focus on salary, but also create a healthy, safe, and motivating work environment.
2. Influence of Competence towards Organizational Commitment. competence has a significant and positive effect on organizational commitment at PT. Rangga Jaya Kontruksi Klapanunggal. This shows a high strength of relationship, even stronger than the influence of non-financial compensation on commitment. This finding is in line with the Human Capital Theory

(Becker, 1964), which states that employees with high competence are more valued by the organization, and in return they show higher loyalty and commitment. In the construction industry, where technical and managerial competence are in high demand, employees with high skills feel more confident, valued, and motivated to contribute in the long term. Therefore, it can be concluded that competence is a very strong predictor of organizational commitment. This finding reinforces the importance of company investment in employee competency development, either through training, certification, or soft skills development. For PT. Rangga Jaya Kontruksi, the competency improvement strategy not only improves work quality, but also has an impact on strengthening employee loyalty and reducing turnover rates, which ultimately contributes to the company's competitiveness in the construction industry.

3. The Influence of Non-Financial Compensation on Employee Performance. The results of the study indicate that non-financial compensation has a positive and significant effect on employee performance at PT. Rangga Jaya Kontruksi Klapanunggal. This indicates that non-financial compensation will improve employee performance. This finding is supported by the Social Exchange Theory (Blau, 1964) which states that when companies treat employees well through non-material forms of compensation—such as recognition, training, or work-life balance—employees will respond positively by improving their performance. In the context of the construction industry, which is known for its high stress, physical risks, and tight deadlines, non-financial forms of compensation such as work safety programs, schedule flexibility, and non-monetary performance-based rewards have been shown to be effective in motivating employees. These results reinforce the view

that non-financial compensation is a critical driver of performance in demanding work environments such as construction. Employees who feel emotionally and professionally valued are more motivated, loyal, and productive.

4. The Influence of Competence on Employee Performance. Competence has a positive and significant effect on employee performance at PT. Rangga Jaya Konstruksi Klapanunggal. This shows that the higher the level of competence possessed by employees, the higher the level of performance that can be achieved. Competent employees are able to work more effectively, efficiently, and are able to adapt to the demands of work in a dynamic and challenging construction industry environment.

Competent human resources as strategic assets are the main differentiator in building a company's competitive advantage. Individual competence not only contributes to achieving work targets, but also drives the company's sustainable excellence in the long term.

5. The Influence of Organizational Commitment on Employee Performance commitment has a positive and significant effect on employee performance at PT. Rangga Jaya Konstruksi Klapanunggal . Organizational commitment in this context reflects a sense of belonging, loyalty, and willingness of employees to contribute maximally to achieve company goals. Employees who have high commitment will tend to maintain the quality of their work, show responsibility, discipline, and higher initiative in completing tasks.

Employees' emotional commitment to the organization creates a psychological bond that drives them to give their best contribution. Employees who feel emotionally connected to their organization will be more motivated to endure pressure, avoid counterproductive behaviors such as unauthorized absences, and strive to maintain the company's good name.

6. The Influence of Non-Financial Compensation on Employee Performance through Organizational Commitment Organizational Commitment significantly mediates the effect of Non-Financial Compensation on Employee Performance at PT. Rangga Jaya Konstruksi Klapanunggal. In other words, non-financial compensation not only provides a direct effect on performance, but also provides an indirect effect through increasing employee commitment to the organization.

These findings reinforce that non-financial compensation, such as work recognition, positive work environment, flexible time, and self-development opportunities, play an important role in building employee affective commitment — a sense of belonging, loyalty, and emotional attachment to the organization. This commitment then drives increased work motivation, dedication, and individual performance in carrying out tasks.

Thus, it can be concluded that organizational commitment plays a crucial role in strengthening the influence of non-financial compensation on employee performance. Therefore, companies need to focus not only on incentives, but also on building psychological bonds between employees and the organization as part of an effective and sustainable HR management strategy.

7. The Influence of Marketing Innovation on Purchasing Decisions through Consumer Trust

Organizational Commitment significantly mediates the influence of Competence on Employee Performance at PT. Rangga Jaya Konstruksi Klapanunggal. Employee competence that includes knowledge, skills, attitudes, and behaviors that are relevant to the job not only has a direct effect on performance, but the influence becomes stronger and more effective when accompanied by a high level of organizational commitment. Organizational commitment in this case reflects the extent

to which employees feel emotionally attached to the company, have loyalty, and a desire to contribute maximally.

Thus, Organizational Commitment is an important mediator that strengthens the influence of Competence on Employee Performance, so it needs to be a focus in the human resource management strategy of PT. Rangka Jaya Konstruksi Klapanunggal.

5.2. Suggestions

Based on the results and conclusions of this study, there are several suggestions from researchers that can be used as input for re-examination, namely as follows:

1. Suggestions for Companies (PT. Rangka Jaya Konstruksi Klapanunggal)
 - a. Strengthen Measurable and Relevant Non-Financial Compensation Systems .
Companies need to implement a more strategic non-financial compensation system and not just a formality. Achievement recognition, work flexibility, and a conducive work environment must be designed to have a real impact on employee motivation and loyalty.
Integrate Competency Development with Career and Rewards
 - b. Employee training and development programs should be directly linked to career opportunities and reward systems. A competency-based career path system will increase employee motivation to continue to grow and perform better .
 - c. Focus on Increasing Organizational Commitment .
Employee commitment has been shown to be an important mediator in the relationship between compensation and competency on performance. Therefore, companies need to build a work culture that encourages emotional attachment and belonging, through open communication, employee participation, and transformational leadership style .
- d. Use a Holistic and Integrative Performance Appraisal System
There needs to be an appraisal system that assesses not only the work results, but also the work process and contribution based on competency and commitment indicators. This will ensure fairness in rewards and development.
2. Suggestions for Researchers :
 - a. Expand Research Variables
Future research could include other variables that also have the potential to influence performance, such as intrinsic motivation, leadership style, job satisfaction, or organizational culture.
 - b. Use a Longitudinal Approach
It is recommended to conduct long-term research (longitudinal study) to see the ongoing influence of compensation and competence on performance through organizational commitment over a certain period of time.
 - c. Generalization Test in Other Companies or Sectors
This study is limited to one construction company. Future researchers can test similar models in other industries such as manufacturing, services, or technology, to see if the relationships between variables apply in general .
 - d. Use Mixed Method
Combining quantitative and qualitative approaches (e.g. in-depth interviews with employees and managers) will provide a more comprehensive understanding of the dynamics of organizational commitment and employee performance.
 - e. Develop Commitment Assessment Instruments
Future research should develop more in-depth and contextual instruments to measure organizational commitment, including affective, normative, and continuance dimensions, so that the analysis results are sharper and richer in meaning.

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