

Research Article

The Effect of Compensation and Work Motivation on Employee Performance with Job Satisfaction as an Intervening Variable

Akhmad Khusnan^{1*}, Tristiana Rijanti²

¹ Universitas Stikubank; Semarang, Jawa Tengah; e-mail : akhmadkhusnan7024@mhs.unisbank.ac.id

² Universitas Stikubank; Semarang, Jawa Tengah; e-mail : tristianar@edu.unisbank.ac.id

* Corresponding Author : Akhmad Khusnan

Abstract: This research aimed to describe and analyze the influence of compensation, work motivation, and job satisfaction on employee performance at the Batang Regency Regional Secretariat. A purposive sampling method was used to select 140 respondents for this study. Data collection was conducted using a questionnaire with a 7-point Likert scale. The instruments were tested for validity and reliability. Validity testing was carried out through factor analysis, which examined the Kaiser-Meyer-Olkin (KMO) and factor loading values to determine sample adequacy. Reliability was assessed using Cronbach's alpha to ensure consistency of the measurement. Hypothesis testing was performed using multiple linear regression with SPSS version 27 and the Sobel Test software. The results of the study revealed several significant findings. First, compensation was found to have a positive and significant effect on job satisfaction, suggesting that employees who are well-compensated tend to be more satisfied with their jobs. Second, work motivation was also found to have a positive and significant effect on job satisfaction, indicating that motivated employees are likely to feel more satisfied in their work environment. Third, compensation was shown to have a positive and significant effect on employee performance, highlighting that adequate compensation contributes to improved performance levels. Similarly, work motivation had a positive and significant effect on employee performance, demonstrating that motivated employees tend to perform better in their roles. Additionally, job satisfaction had a positive and significant effect on employee performance, suggesting that satisfied employees are more likely to deliver high-quality work. However, the study also found that job satisfaction does not mediate the influence of competence on employee performance or the influence of work motivation on employee performance. These findings suggest that while compensation, motivation, and satisfaction are crucial to performance, other factors may be at play in determining how competence and motivation directly influence performance outcomes.

Keywords: Compensation, Employee Performance, Employee Productivity, Job Satisfaction, Work Motivation

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1. Introduction

The achievement of an organization in implementing its tasks cannot be separated from its human resources. Excellent and high-quality human resources must always be managed and emphasized by organizations/agencies in order to achieve the expected performance. Therefore, improving the standard of personnel is essential in order that employees get good attitudes and behavior, enabling them to perform their tasks and accountabilities in the capacity of expected.

Achievement represents the standard and amount of tasks accomplished by a individual in performing their tasks as per the obligations entrusted to them (Mangkunegoro, 2009). A personal element among those which affect work outcomes happens to be mindset, in this context job satisfaction. Job satisfaction is the feeling and emotion of happiness or dissatisfaction that an employee has toward their work (Newstrom, J.W. and Keith Davis, 1993). A single element among the causes of work contentment refers to compensation, as purpose of providing compensation is to achieve employee job satisfaction. According to Triton (2020), remuneration refers to a form of benefit that workers obtain in the form of a reward in support of their work. Another factor contributing to job satisfaction is work motivation. Motivational factors like achievement, acknowledgment, as well as responsibility

perform a significant function in enhancing employee job satisfaction. Based on Robbins & Judge (2017), drive constitutes one of the factors influencing job satisfaction.

Study outcomes indicating which indicates that remuneration possesses a favorable and meaningful effect regarding work contentment have been reported Rifa'i, M., et al. (2021); Mundakir & Zainuri (2018); and Febriyanti, D. & Rijanti, T. (2022). Meanwhile, differing results were shown by Efendi, S. & Yusuf, A. (2021); Rosalia, D., Mintarti, S. & Heksarini, A., (2020); Mary M. Muguongo, et al, (2015); M. Paais, & JR Pattiruhu (2020); and Eyitayo Francis A., et al (2023).

Several research has also demonstrated that compensation exerts a favorable and meaningful influence on staff performance, including those Mundakir & Zainuri (2018); Febriyanti, D. & Rijanti, T. (2022). Different results were shown by Sembiring, M., et al, (2021); Zackharia M. R. & Sasmanita, S., (2021); Rifa'i, M., et al. (2021); Rosalia, D., Mintarti, S., & Heksarini, A. (2020); Efendi, S., & Yusuf, A. (2021); Usu, Idrus., et al., (2024); Mahardika, A., Rovizanti & Rijanti, T. (2024)

Research findings indicating which job drive possesses a substantial positive impact regarding job satisfaction include studies carried out by Sembiring, M., et al. (2021); Mundakir & Zainuri (2018); Rifa'i, M., et al. (2021); Rosalia, D., Mintarti, S., & Heksarini, A. (2020); Efendi, S., & Yusuf, A., (2021); and Usu, Idrus., et al. (2024). Meanwhile, different results were shown by M. Paais & JR Pattiruhu (2020), who mentioned that job motivation did not significantly impact staff work satisfaction.

Several studies have also shown which job incentive possesses an significant favorable impact on staff productivity. These studies were carried out by Sembiring, M., et al. (2021); Zackharia M. R. & Sasmanita, S., (2021); Mundakir & Zainuri (2018); Mahardika, A., Rovizanti & Rijanti, T. (2024), and Francis, et al., (2023). Nevertheless, dissimilar research outcomes were shown Rifa'i, M., et al., (2021); Rosalia, D., et al., (2020); Efendi, S., & Yusuf, A., (2021); Usu, Idrus., et al., (2024).

Similarly, employee performance will be influenced by job satisfaction, where an individual's work performance will be good at the time that workers feel content with the results regarding their professional responsibilities, fulfillment in employment represents defined as an enjoyable or uplifting feeling-related condition that arises out of an a person's evaluation of their i go to work every day (Locke, 1976). Research findings indicating that job satisfaction positively influences performance were conducted Rifa'i, M., et al. (2021); Mundakir & Zainuri (2018); Rosalia, Dorra, et al. (2020); Efendi, S., & Yusuf, A. (2021); Usu, Idrus, et al. (2024); and Febriyanti, D. & Rijanti, T. (2022). Meanwhile, different results were shown in studies carried out by Sembiring, M., et al (2021); Eyitayo Francis A., et al (2023).

Work contentment represents an emotion of pleasure or dissatisfaction that an employee experiences in performing their job duties. Those elements which affect a worker's feelings exist generally remuneration received as a reward for performing their job well and work motivation as a driver for employees to achieve their goals. At the time that workers feel content with the job, it leads toward improved worker achievement. This indicates that work contentment acts as a mediator variable or an intervening factor in the relationship between reimbursement, work motivation, and employee performance. Research conducted by Rosalia, D., Mintarti, S., & Heksarini, A. (2020); Mundakir & Zainuri (2018); Efendi, S., & Yusuf, A., (2021); Usu, Idrus., et al., (2024); Francis, et al., (2023), state that employee satisfaction indirectly acts as a link between pay, drive, and worker output. Conversely, study carried out by Sembiring, M., et al., (2021) and Rifa'i, M., et al., (2021) states that indirectly, the mediating/intervening variable does not mediate the relationship between the independent variable and the dependent variable.

The phenomenon observed in the office environment of the Batang Regency Secretariat still shows a decline in employee performance. An employee with sufficient length of service can be assured of having a high level of performance. However, worker effectiveness may be affected by multiple elements, including: lack of attention from the local government through unfair compensation and declining work enthusiasm (work motivation), as well as unpleasant work experiences that lead to dissatisfaction at work. Employee performance levels significantly impact work outcomes. Below is an assessment of employee performance within the office of the Batang Regency Secretariat:

Table 1. Performance Assessment Results of Batang Regency Secretariat Employees

Performance	Year 2022			Year 2023		
Assessment	Number of Regional Secretariat Employees			Number of Regional Secretariat Employees		
	Target	Realization	Percentage	Target	Realization	Percentage
Very good	100	97	65,5%	100	96	64,9%
Good	35	33	22,3%	35	32	21,6%
Fair	10	13	8,8%	10	14	9,5%
Poor	3	5	3,4%	3	6	4,0%

Source: 2024 data

Based on Table 1.1 presented above, it is observable that there was a decline in employee performance from the “very good” category in 2022 to 65.5% in 2023 to 64.9%. For the “good” performance category, the percentage decreased from 22.3% in 2022 to 21.6% in 2023, while for the “adequate” performance category, the percentage increased from 8.8% in 2022 to 9.5% in 2023. Similarly, the “poor” performance category saw an increase from 3.4% in 2022 to 4.0% in 2023.

According to findings from various earlier researches, differences exist and phenomena in the field in the office environment of the Batang Regency Secretariat, so It is essential to carry out research on the impact of compensation, motivation, and job satisfaction worker output.

2. Literature Review or Related Research

Compensation

Compensation is the remuneration compensated to workers for their labor in fulfilling their job responsibilities (Wilson Bangun, 2021). Good compensation means providing fair and appropriate recognition for employees' contributions to their work. Mangkunegara (2013) states that compensation means any type of payment or reward provided to workers arising out of their labor. Meanwhile, based on Hasibuan (2020), payment represents every earning as cash or items, whether direct or indirect, accepted by an employee for their work to the organization, with payment indicators including (1) insurance; allowances or benefits that protect the company's assets. (2) salary; a fixed monthly payment for the services provided by the employee. (3) bonus; additional compensation beyond the basic salary. (4) allowance; components beyond the salary that employees consider before choosing a job. (5) incentive; additional payment given from the organization in return for the worker's job output. (6) facilities; compensation supplied by the firm for motivate employees.

Work Motivation

Work motivation is the energy that generates eagerness within an individual to perform, so that they become ready to collaborate, function efficiently, and combine all their actions to reach fulfillment (Robbins, 2016). Based on Hasibuan (2020), job drive represents an driving force or strength that comes from experience within a person who leads others to initiate steps and strive to achieve a goal in their work. According to McClelland's Theory (Achievement Need Theory), as cited by Hasibuan (2016), this theory posits that employees possess a reserve of potential energy, and how this energy is released and utilized depends on the strength of an individual's motivational drive, as well as the available situation and opportunities. The factors that motivate an individual according to McClelland in Hasibuan (2016) are: (1) the need for achievement (need for achievement = n Ach); this is the driving force that motivates an individual's work ethic. (2) the desire to belong (desire to belong = n Af); this serves as the appealing motivational force that motivates an individual's work ethic. (3) Desire for authority (n Pow); this serves as the motivating energy that inspires an employee's enthusiasm.

Job Satisfaction

Work contentment represents a favorable emotion regarding an individual's occupation that arises based on an assessment regarding the features, according to Robbins & Judge (2013). Meanwhile, Hoppock defines job satisfaction refers to the degree to which workers enjoy (or do not enjoy) their occupations overall. According to Paul E. Spector (1997), the fulfillment one feels from their occupation can be described as an uplifting emotional condition that results from an assessment of a person's professional experience, as well as perceptions of how well the job meets individual needs and values. Luthans (2011) describes employee contentment as being positive emotional state or feeling of pleasure experienced by an individual when evaluating aspects of their work. According to Luthans (2016), job satisfaction encompasses five dimensions: (1) salary, related to the compensation employees receive for the work they do. (2) the work itself, which should be interesting to employees, provide learning opportunities, and offer opportunities to take on responsibility. (3) Promotion, which is the process of moving from one position to a higher one within the organization. (4) Work group, where friendly and cooperative coworkers contribute to job satisfaction for other employees. (5) Supervision, where the supervisor's style of overseeing employees may involve showing attention and encouraging employee participation..

Employee Performance

Achievement signifies the extent of achievement of an individual while finishing the tasks that are their responsibility (Robbins and Judge, 2013). Dessler (2013) states such performance represents the outcome of tasks completed by staff in fulfilling their roles and obligations in line with the objectives set by the institution. This level of achievement is often measured based on results that align in accordance with the criteria or goals established by the organization. As stated by Mangkunegara (2017), performance refers to the standard and amount of tasks completed by a person while performing their job based on the obligations given to them, with the following indicators of employee performance: (1) standard regarding task performance, the extent to which a worker performs the tasks they are expected to perform. (2) The amount of tasks completed refers to the duration an employee spends working daily. This output can be observed through the pace at which each employee performs their duties. (3) Task execution, how accurately an employee can perform their work free from mistakes. (4) Accountability, consciousness regarding the duty to perform their operate precisely without errors. The subsequent diagram represents a model introduced in this research:

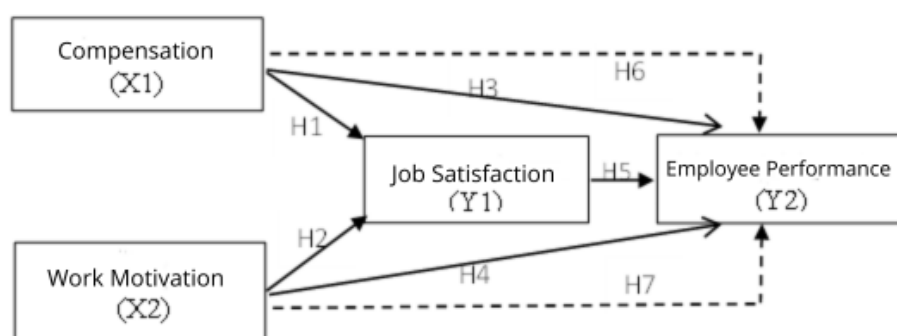


Figure 1. Graphic Model

Research Hypothesis

This research analyzes the impact of compensation, work motivation, as well as work contentment regarding staff effectiveness within Batang District Secretariat office environment.

H1: Compensation has a positive and significant effect on job satisfaction

H2: Work motivation has a positive and significant effect on job satisfaction

H3: Compensation has a positive and significant effect on employee performance

H4: Work motivation has a positive and significant effect on employee performance

- | No. | Variable | KMO value | Requirements | Notes | Indicators | Loading Factor Value | Requirements | Notes |
|-----|--------------|-----------|--------------|-------|------------|----------------------|--------------|-------|
| 1. | Compensation | 0.807 | > 0.5 | | X1.1 | 0.728 | > 0.4 | Valid |
| | | | | | X1.2 | 0.735 | | Valid |
| | | | | | X1.3 | 0.703 | | Valid |
| | | | | | X1,4 | 0.776 | | Valid |
| | | | | | X1,5 | 0.620 | | Valid |
| | | | | | X1,6 | 0.612 | | Valid |
| | | | | | X1.7 | 0.639 | | Valid |
| | | | | | X1,8 | 0.644 | | Valid |
| | | | | | X1.9 | 0.694 | | Valid |
| | | | | | X1,10 | 0.699 | | Valid |
| | | | | | X1.11 | 0.589 | | Valid |
| | | | | | X1.12 | 0.682 | | Valid |
| | | | | | X1.13 | 0.474 | | Valid |

2.	Work Motivation	0.718	> 0.5		X2.1	0.607	> 0.4	Valid
					X2.2	0.675		Valid
					X2.3	0.667		Valid
					X2.4	0.656		Valid
					X2.5	0.613		Valid
					X2.6	0.540		Valid
					X2.7	0.697		Valid
					X2.8	0.614		Valid
					X2.9	0.526		Valid
3.	Job Satisfaction	0.759	> 0.5		Y1.1	0.569	> 0.4	Valid
					Y1.2	0.674		Valid
					Y1.3	0.740		Valid
					Y1.4	0.751		Valid
					Y1.5	0.584		Valid
					Y1.6	0.584		Valid
					Y1.7	0.842		Valid
					Y1.8	0.831		Valid
					Y1.9	0.534		Valid
					Y1.10	0.697		Valid
4.	Employee Performance	0.819	> 0.5		Y2.1	0.630	> 0.4	Valid
					Y2.2	0.814		Valid
					Y2.3	0.857		Valid
					Y2.4	0.672		Valid
					Y2.5	0.678		Valid
					Y2.6	0.868		Valid
					Y2.7	0.776		Valid
					Y2.8	0.781		Valid
					Y2.9	0.455		Valid
					Y2.10	0.632		Valid
					Y2.11	0.675		Valid
					Y2.12	0.470		Valid

Source: Processed data (2025)

According to the table presented above, it may be described that the KMO values of every parameter or variable studied show a p-value above 0.05, a factor loading score > 0.4. This means those every declaration entries in the study are acceptable.

b Reliability Test

The reliability test used only measured valid statements. The reliability test was conducted using the SPSS for Windows Release 27.0 statistical program with Cronbach's Alpha method, where a measurement tool is regarded as trustworthy provided that the Cronbach's Alpha value exceeds 0.70. The outcomes of the reliability assessment show that each variable possesses a Cronbach's Alpha score greater than 0.7. The subsequent chart illustrates the outcomes of the reliability test within this research:

Table 3. Reliability Test Results

No	Variable	Cronbach's Alpha	Value	Description
1.	Compensation	0.890	> 0,7	Reliable
2.	Work Motivation	0.800		Reliable
3.	Job Satisfaction	0.873		Reliable
4.	Employee Performance	0.898		Reliable

Source: Processed data (2025)

According to the data presented above, the Cronbach's Alpha score of each variable > 0.7. It indicates that the four variables applied in this research are dependable and may be used for further analysis.

Multiple Linear Regression Analysis

Several straight-line predictive modeling examinations are applied to examine the influence of two or more predictor factors influencing an outcome variable. The linear regression the test presented in a regression equation. The subsequent outcomes represent the regression results analysis processed with SPSS 27/0. These are the outcomes of the regression analysis in this research:

Table 4. Regression Analysis Results

No	Equations	Model Testing			Hypothesis Testing		Description
		<i>Adjusted R²</i>	F	Sig.	Beta	Sig.	
1.	$Y1=a_1+\beta_1X1+\beta_2X2+e_1$	0,071	6,295	0,002	-	-	-
	$X^1 \rightarrow Y^1$	-	-	-	0.161	0.045	accepted
	$X^2 \rightarrow Y^1$	-	-	-	0.257	0.029	accepted
2.	$Y2=a_2+\beta_3X1+\beta_4.X2+\beta_5.Y1 + e_2$	0,178	211,018	0,000	-	-	-
	$X^1 \rightarrow Y^2$	-	-	-	0,106	0,038	accepted
	$X^2 \rightarrow Y^2$	-	-	-	0,206	0,006	accepted
	$Y^1 \rightarrow Y^2$	-	-	-	0,150	0,006	accepted

Source: Processed data (2025)

Grounded upon the chart presented earlier, mathematical expressions pertaining to models I and II can be formulated as follows:

$$\text{Model I: } Y1 = a_1 - 0,161X1 - 0,257.X2 + e_1$$

$$\text{Model II: } Y2 = a_2 + 0,106.X3+0,206.X4 -0,150+ e_2$$

From the outcomes of the formula, it might be explained that:

- The connection among compensation and job satisfaction is known to have a positive sensitivity factor value 0.161 having a level of importance of $0.045 < 0.05$. This indicates that remuneration exerts a favorable and statistically meaningful influence on job satisfaction.
- The connection among occupational drive and job satisfaction is known to have a positive influence factor coefficient value of 0.257 having a significance of $0.029 < 0.05$. This indicates that motivation to work exerts a beneficial and notable influence on employee satisfaction with their job.
- The connection among compensation and employee performance has a positive risk sensitivity factor 0.106 along with a statistical importance measure of $0.038 < 0.05$. This indicates that remuneration exerts a favorable and meaningful influence on the performance of employees.
- The relationship between work motivation and employee performance possesses a favorable beta coefficient score 0.206 with a significance level of 0.006, which is less than

0.05. This indicates that motivation at work positively and significantly influences the performance of employees.

- The connection involving work satisfaction and employee performance has a positive beta factor magnitude 0.150 with significance score of $0.006 < 0.05$. This indicates that employee job contentment exerts a beneficial and notable influence on the work outcomes of employees.

Model Testing

a Coefficient of Determination

Based on Table 4 above, the values of the coefficient of determination in this research are as follows:

- Model I: R^2 value = 0.071. This signifies that the payment and job motivation indicators could potentially describe 7.1% of the work contentment factor, whereas the rest 92.8% ($100\% - 7.1\%$) is explained by variables outside the scope of this study.
- Model II: R^2 value = 0.178. This means that the variables of compensation, work motivation, and job satisfaction can explain 17.8% of employee performance, while the remaining 82.2% ($100\% - 17.8\%$) is explained by variables outside the scope of this study.

b F Test

According to the F-test results in Table 4, this has been acknowledged that the significance values in the F-test for model I and model II are as follows:

- Model 1; Importance score $F = 0.002 < 0.05$. This Signifies that compentatioan and employee drive variables together possess an impact upon workplace contentment.
- Model 2; F significance value $0.000 < 0.05$. This indicates that the factors of remuneration, employee motivation, and occupational contentment have a combined impact on staff productivity.

c Hypothesis Testing

Based on Table 4, the outcomes of the hypothesis testing within this research demonstrates:

- Hypothesis 1 Compensation possesses a favorable and meaningful impact upon satisfaction, and Standardized Coefficients Beta score of 0.161 and a importance value of $0.045 < 0.05$, indicating the fact that proposition one is confirmed.
- Hypothesis 2 Work motivation positively and significantly influences job satisfaction with a Standardized Coefficients Beta score of 0.257 and an importance value of $0.029 < 0.05$, that signifies that hypothesis 2 is accepted.
- Hypothesis 3 Compensation has a favorable and meaningful impact on worker productivity, with a Standardized Coefficients Beta score 0.106 with significance score $0.038 < 0.05$, indicating the fact that proposed assumption number three is supported.
- Hypothesis 4 Work motivation exerts a favorable and meaningful impact upon employee performance and Standardized Coefficients Beta score 0.206 plus an importance value of $0.006 < 0.05$, which means that hypothesis number three is approved.
- Hypothesis 5 Job satisfaction exerts a favorable and meaningful influence on worker productivity with a Standardized Coefficients Beta score 0.150 with significance score $0.006 < 0.05$, indicating that the proposition number five gets approved.

d Mediation Test (Sobel test)

The Sobel test is designed to examine the indirect influence of the independent variable on the dependent variable via the mediating variable. To calculate the importance measure belonging to the mediating indicator, researchers use a calculator application or statistical software to calculate the Sobel t-value. Here are the outcomes of the Sobel test in this research:

Table 5. Mediation Test Results

No	Mediation Y1	Sobel Test	Probability	Description
1	X1→ Y2	1,936	0,053	Not Mediating
2	X2 →Y2	1,509	0,131	Not Mediating

Source: Sobel Test Results (2025)

Referring to Table 5, it is observable that the connection between compensation variables and worker effectiveness via workplace contentment has a Sobel test score 1.936 and a probability value of $0.053 > 0.05$. This shows that job satisfaction does not intervene in the impact of compensation regarding staff effectiveness in the Batang Regency Secretariat office environment, which means that hypothesis 6 is rejected.

Furthermore, the relationship between work motivation and employee performance by means of job satisfaction possesses a Sobel test score 1.509 and a probability value of $0.131 > 0.05$. This shows that job satisfaction does not intervene in the impact of work motivation regarding worker effectiveness in the Batang Regency Secretariat office environment, which means that hypothesis 7 gets turned down.

Discussion

a The Effect of Compensation on Job Satisfaction

According to the fourth table from the findings of the regression analysis, this is known that the compensation hypothesis job satisfaction shows a positive beta value of 0.161 accompanied by a significance level of $0.045 < 0.05$. This indicates that remuneration has a favorable and meaningful impact on job satisfaction. In other words, the better the compensation received by employees, the more likely their job satisfaction will increase, and employees will perform their duties and responsibilities well. This is evidenced by the results of the respondents' questionnaire answers for the compensation variable, where out of 13 statements, 10 statements belong within the extremely elevated classification, 3 statements fall into the elevated class, as well as the average score remains within the extremely elevated classification. Thus, the compensation received by employees in the Batang Regency Secretariat office environment is very good, and employees feel satisfied in their work because their basic needs are met.

According to Paul E. Spector (1997), work contentment is described as an affirmative feeling condition that arises from an individual's assessment regarding the individual's professional background, as well as their perception of how well the job meets their needs and values. Compensation is the payment made to employees for their services in fulfilling their responsibilities at work (Wilson Bangun, 2021). Good compensation means providing fair and appropriate rewards commensurate with employees' contributions to their work. One of the purposes of providing compensation is to enhance work contentment, since staff members will experience fulfillment in their work when they can meet their basic needs. (Hasibuan, 2020).

The findings of this research align with the findings of Rifa'i, M., et al. (2021); Mundakir & Zainuri (2018); and Febriyanti, D. & Rijanti, T. (2022), who stated that remuneration exhibits a favorable and meaningful impact upon job satisfaction. That implies which, accompanied by just and sufficient remuneration received by employees, they will not feel burdened by the work that is their responsibility.

b The Effect of Work Motivation on Job Satisfaction

According to Table 4 from the regression analysis outcomes, it is understood that the hypothesis of the influence of work motivation on job satisfaction indicates that the beta value has a positive score 0.257 accompanied by an importance value of $0.029 < 0.05$. This indicates that employee motivation positively and significantly influences workplace contentment. In other words, the more elevated the work drive, the larger the employment contentment of employees in performing their duties.

This is because employees in the Batang Regency Secretariat office always strive to meet their needs to accomplish their tasks goals, such as the desire for success, the desire for connection, and the desire for influence. Based on the output of the respondents' statements regarding work motivation, all items fall into the extremely elevated category, indicating that the job enthusiasm of staff at the Batang Regency Secretariat Office is very good, meaning that employees are satisfied with the tasks and responsibilities assigned to them.

According to Hasibuan (2020), work motivation is a motivating power or energy originating from inside a person guiding them to take action and strive to achieve a goal in their work. Work motivation also aims to increase employee satisfaction. Employee work contentment relies on the meeting of staff requirements. Staff will experience fulfillment if they get what they need. (Mangkunegara, 2017).

The outcomes of this investigation align with the results of studies carried out by Sembiring, M., et al. (2021); Mundakir & Zainuri (2018); Rifa'i, M., et al. (2021); Rosalia, D., Mintarti, S., & Heksarini, A. (2020); Efendi, S., & Yusuf, A., (2021); and Usu, Idrus, et al., (2024), who state that employee drive exerts a favorable and meaningful impact on workplace contentment.

c The Effect of Compensation on Employee Performance

According to Table 4 of the regression analysis output, it is known that the hypothesis of compensation on employee performance owns a positive beta constant value 0.106 with significance score $0.038 < 0.05$. Means that compensation possesses a favorable and meaningful impact on staff productivity. In other words, the improved the compensation received employees, more it enhances employee performance. Based on the average score of participant's answers regarding the compensation factor and the staff performance factor, the classification is "very high." From these results, it is evident that the compensation received by employees and their performance match with the anticipations of each the staff members and the organization.

Execution represents the degree of accomplishment of an individual in completing the duties which are their responsibility (Robin & Judge, 2013). Compensation, on the other hand, refers to The overall compensation earned by workers due to performing their duties within an organization, which may take the form of monetary or non-monetary benefits such as salary, wages, bonuses, incentives, and other allowances like health insurance, holiday allowances, meal allowances, leave allowances, and others. (Rivai, 2014). There is a strong relationship between compensation and employee performance, where when compensation is fair and appropriate, given to employees in accordance with their tasks and responsibilities, thereby meeting all their needs, employees will perform their tasks well as evidence of their responsibility.

The findings of this research correspond with the outcomes of investigations carried out by Mundakir & Zainuri (2018) and Febriyanti, D. & Rijanti, T. (2022), which state that there exists a positive and meaningful impact between compensation with employee performance.

d The Effect of Work Motivation on Employee Performance

According to Table 4 of the regression analysis output, it is known that the hypothesis regarding job drive on staff productivity has a positive beta coefficient value of 0.206 with a significance score $0.006 < 0.05$. This indicates that work motivation positively and significantly influences employee performance. From the respondents' answers to the statement items for both variables job drive and staff productivity average score meets the "very good" criterion. This implies the greater the degree of employee work motivation, the better the employee performance. This indicates work motivation is the key element in enhancing worker productivity.

This finding is in line with the theory proposed by Hasibuan (2020), that declares that function motivation aims to improve an individual's performance within an organization. By providing motivational encouragement, employees have a tendency to exhibit greater seriousness and enthusiasm in completing the duties they have. Appropriate motivation can play a role in increasing productivity and efficiency levels and exert a beneficial influence upon a person's work performance.

These findings from the current research correspond to findings of Sembiring, M., et al., (2021); Zackharia M. R. & Sasmanita, S., (2021); Mundakir & Zainuri (2018); Mahardika, A., Rovizanti & Rijanti, T. (2024); Usu, et al., (2024); and Francis, et al., (2023). These research findings show a favorable and meaningful impact between job motivation and staff performance.

e The Effect of Job Satisfaction on Employee Performance

According to Table 4 of the regression analysis output, it is known that the hypothesis of job satisfaction on employee performance possesses one favorable beta value of 0.150 as well as one importance measure pertaining to $0.006 < 0.05$. This signifies which job satisfaction exerts a beneficial and meaningful impact on employee performance. From the responses to the statement items, It is recognized that both variables (job satisfaction and employee performance) have average values categorized as very high. This result indicates that employees in the office environment of the Batang Regency Secretariat those who experience joy and fulfillment in their professional roles are likely to achieve good work outcomes.

Based on Mangkunegara (2017), work performance indicates the standard and amount of tasks completed by a person in performing their responsibilities in line with their assigned accountabilities. Meanwhile, job satisfaction is described as a favorable value or pleasant feeling condition which comes from a person's assessment regarding their work (Edwin A. Locke, 1976). Thus, it can be said that work that is perceived as enjoyable by employees will have an impact on good work achievement with regard to standard and amount.

The findings of this research correspond with the findings of studies carried out by Mundakir & Zainuri (2018); Febriyanti, D. & Rijanti, T. (2022), which show that there exists a favorable and meaningful effect linking job contentment to staff effectiveness.

f Job Satisfaction Does Not Mediate Compensation on Employee Performance

According to the fifth table, the findings from the mediation test between compensation and workforce effectiveness via occupational contentment have a Sobel Test score 1.936 with probability score $0.053 > 0.05$. This means that compensation possesses a favorable yet negligible influence upon staff performance via the mediation of job satisfaction. This indicates that employee satisfaction does not play a significant mediating role in the relationship between compensation and job performance in the office environment of the Batang Regency Secretariat. This finding suggests that employee job satisfaction does not play a significant mediating role in the relationship between compensation and performance outcomes without the need for job satisfaction as an intermediary. This is shown within the regression study results in Table 4.14, which indicates which indicates that remuneration possesses a favorable and notable impact toward staff members performance. Given that the better the compensation received by employees, the better they will perform their duties and responsibilities, compensation can directly improve employee performance in the Batang Regency Secretariat Office environment without the mediation of job satisfaction.

The findings of this research support the findings of Rifa'i, M., et al. (2021), which state that compensation exerts a considerable and favorable influence on staff productivity through job satisfaction. This means employee contentment with their job fails to serve as an intermediary in a non-direct manner in the relationship connecting remuneration and how well an employee performs their duties

g Job Satisfaction Does Not Mediate Work Motivation on Employee Performance

According to Table 5, the output of the mediation test among job-related motivation as well as workers' effectiveness by means of satisfaction at work have a Sobel test score 1.509 and a probability value of $0.131 > 0.05$. This indicates that job satisfaction does not significantly moderate the impact of work motivation on employee performance in the Batang Regency Secretariat office environment. This finding shows indicating that the impact stemming from work motivation affecting employee performance exists as direct, without the need for job satisfaction as an intermediary. This is demonstrated by the findings derived from the regression analysis within Table 4, which show that employee motivation holds a positive and a notable impact upon staff productivity, considering that increased occupational

drive among employees leads to better execution during conducting their duties and responsibilities, this has a beneficial influence on staff productivity within the Batang Regency Secretariat Office.

The findings of this research align with the study carried out by Sembiring, M., et al. (2021), which indicates that job satisfaction, in an indirect way does not act as an intermediary in the association between work motivation factors as well as staff productivity variables.

Research Limitations

- The use of questionnaire data collection tools was considered insufficiently flexible in exploring respondents' answers.
- Lack of variables studied, as **there remain numerous additional factors which has the potential to affect staff work output.**

Research Implications

a Theoretical Implications

- This study is able to make a contribution toward the advancement of **workforce capabilities** theory, particularly in understanding **the elements which affect staff productivity in the context of the Batang Regency Secretariat office** environment.
- The results **from this research may serve as a guide for upcoming scholars** who will conduct **study about** the mediating role **regarding employment** satisfaction variables on employee performance.

b Practical Implications

- **According to the findings of the research, it is understood that employee satisfaction** does not mediate either compensation for performance or motivation for performance. Motivation **has been demonstrated to possess a** dominant influence **regarding the two aspects of job satisfaction** and performance. Therefore, the Batang Regency Secretariat Office should increase employee motivation by providing challenging work.
- The second variable influencing job satisfaction is compensation. Therefore, the Batang Regency Secretariat Office should improve employee job satisfaction by providing bonuses commensurate with their workload and responsibilities, ensuring fairness for employees. This aligns with respondents' feedback on job satisfaction, which indicated that the reward policies implemented are perceived as unfair.

5. Conclusion

Grounded on the findings of data review and explanation conducted **within this research and aligned with the aims of the study, the subsequent** conclusions can be drawn: (1) Compensation **exerts a favorable and notable influence on** job satisfaction. (2) Jobotivation **exhibits a favorable and notable influence on** job satisfaction. (3) Compensation has a positive and significant effect on employee performance. (4) Work motivation has a positive and significant effect on employee performance. (5) Job satisfaction has a positive and significant effect on employee performance. (6) Job satisfaction does not mediate the effect of compensation on employee performance in the office environment of the Batang Regency Secretariat. (7) Job satisfaction does not mediate the effect of work motivation on employee performance in the office environment of the Batang Regency Secretariat.

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