

CHAPTER IV

DATA ANALYSIS AND DISCUSSION

This chapter elaborates and discussed the result of data that the author has analyzed regarding "The Effects of Compensation, Work Environment, toward Employee Performance through Job Satisfaction as intervening variable". The discussion starts by showing the result of quantitative data that have already been collected through questionnaire and proceed by several statistic software. In general, this study distributed 50 questionnaires to the targeted respondents, only 47 were willing to participate in the survey and due to outliers, data processed is only 39 respondents. All received data were attached in the appendix and data recapitulation chapter.

4.1 Validity and Reliability Test

4.1.1 Validity Test Results

The research used Pearson Product Moment to test the validity test of each variables. Validity test is used to measure the accuracy of a research instrument in measuring what you want to measure in the study (Siregar, 2014). The variables measured in this study are compensation, work environment, job satisfaction, and employee performance by comparing the value of r count with r table. If r count is greater than r table, the research instrument can be declared valid. The result was proceeded by using SPSS 23.0. The results are shown in the tables below:

Table 4.1
Compensation statement validity

no	Statement	r value	r Table	Validity
1	I feel the company has been fair in providing compensation	0,592	0.316	Valid
2	I feel the company is on time to pay or pay	0,604	0.316	Valid
3	I am satisfied with the additional compensation beyond salary and wages	0,687	0.316	Valid
4	I am satisfied with giving a "reward" for additional work	0.666	0.316	Valid
5	I am satisfied with the provision of health insurance from agencies/companies	0,622	0.316	Valid
6	I am satisfied with the provision of counseling for employees	0,582	0.316	Valid
7	I am satisfied with the provision of holidays for employees/employees borne by the company	0,643	0.316	Valid
8	I feel that the facilities provided by the company support employee operations	0,468	0.316	Valid
9	I feel that companies give awards for the work performance of employees.	0,846	0.316	Valid
10	I feel that there are comfort and security at work.	0,635	0.316	Valid

Source: Primary Data Processed in 2019

The table 4.1 shows the result of the validity calculation from the respond of the respondents. The result shows that r value of 10 statements > r table (0.316). Therefore, it can be concluded that all of the compensation item statements are valid.

Table 4.2
Work Environment statement validity

no	Statement	r value	r Table	Validity
1	Good air circulation makes me feel comfortable	0.452	0.316	Valid
2	The temperature at the work location is quite good	0.551	0.316	Valid
3	The temperature at the work site affects my work	0.445	0.316	Valid
4	I feel calm working here	0.675	0.316	Valid
5	My work environment makes me calm	0.644	0.316	Valid
6	Lighting at work sites is equipped with windows and lights that are sufficient and do not interfere with work activities.	0.445	0.316	Valid
7	The color of the room where I work is good and does not interfere with the work I do	0.692	0.316	Valid
8	Furniture in the workplace is flexible enough to be adjusted, arranged or rearranged	0.634	0.316	Valid
9	The workplace layout supports work activities, accelerates task completion and encourages interaction between employees	0.648	0.316	Valid

Source: Primary Data Processed in 2019

The table 4.2 shows the result of the validity calculation from the respond of the respondents. The result shows that r value of 9 statements > r table (0.316). Therefore, it can be concluded that all of the work environment item statements are valid.

Table 4.3
Employee Performance statement validity

no	Statement	r value	r table	Status
1	I feel that I have produced quality work	0.603	0.316	Valid
2	I felt the results of the work produced did not disappoint the agency	0.333	0.316	Valid
3	I can complete the work according to the target number	0.398	0.316	Valid
4	I can complete additional work along with the main job	0.431	0.316	Valid
5	I can solve work problems quickly	0.481	0.316	Valid
6	I can complete the work according to the predetermined time target	0.537	0.316	Valid
7	I can finish the job effectively	0.505	0.316	Valid
8	I can finish the job efficiently	0.598	0.316	Valid
9	I do individual tasks well	0.492	0.316	Valid
10	I did my work without the help of other employees	0.521	0.316	Valid
11	I try to come according to the specified work schedule	0.422	0.316	Valid
12	I come and go home from work according to the working hours determined by the company	0.392	0.316	Valid

Source: Primary Data Processed in 2019

The table 4.3 shows the result of the validity calculation from the respond of the respondents. The result shows that r value of 12 statements > r table (0.316). Therefore, it can be concluded that all of the employee performance item statements are valid.

Table 4.4
Job Satisfaction question validity

no	Pertanyaan	r value	r table	Status
1	I feel satisfied with the work that is currently being done	0.692	0.316	Valid
2	I feel the work given is in accordance with my abilities	0.641	0.316	Valid
3	I feel that the salary provided is in accordance with the group	0.620	0.316	Valid
4	I feel that the size and type of salary received is in accordance with the workload borne	0.727	0.316	Valid
5	I am satisfied with all types of compensation provided by the agency	0.786	0.316	Valid
6	Facilities and equipment at my workplace are complete and adequate	0.598	0.316	Valid
7	The room where I work is comfortable and is clean	0.580	0.316	Valid
8	The boss has given direction to subordinates in every job	0.573	0.316	Valid
9	Communication between superiors and subordinates is well established in solving work problems	0.718	0.316	Valid
10	I feel that relationships with colleagues are well established	0.637	0.316	Valid
11	I feel that I have no difficulty working with a cross or one work unit	0.323	0.316	Valid

Source: Primary Data Processed in 2019

The table 4.4 shows the result of the validity calculation from the respond of the respondents. The result shows that r value of 11 statements > r table (0.316). Therefore, it can be concluded that all of the job satisfaction item statements are valid.

4.1.2 Reliability Test

An instrument is reported to be reliable if it is consistent and free from bias. The reliability test was conducted to measure the consistency of the instruments. This test was based on Cronbach Alpha Value. The questions can be reliable if alpha test results show greater than 0.6. The reliability test from research variables is shown in Table 4.5 below:

Table 4.5
Reliability Table

No	Variable	Cornbach's Alpha	Requirement	Explanation
1	Compensation	0.837	0.600	Reliable
2	Work Environment	0.748	0.600	Reliable
3	Job Satisfaction	0.840	0.600	Reliable
4	Employee Performance	0.677	0.600	Reliable

Source: Primary Data Processed in 2019

As shown in Table 4.5, the Cronbach's Alpha result of compensation is 0.837; work environment is 0.748; job satisfaction is 0.840; and employee performance with 0.677. So, it can conclude that all the variables in this research are reliable because it has greater value than 0.6.

4.2 Descriptive Statistic

In the descriptive statistic, it provides descriptive or description of data seen from the mean, standard deviation, maximum, and minimum. The following score can be categorized as follows:

- The average value of 1 to 1.80 = Very low
- The average value of 1.81 to 2.61 = Low

- The average value of 2.62 to 3.42 = Medium
- The average value of 3.43 to 4.23 = High
- The average value of 4.24 to 5 = Very high

1. Independent Variable of Compensation (X1)

The variable of compensation has several statements measured by using 5 scales, ranging from very low score for strongly disagree and very high score for strongly agree. The descriptive result of respondents' assessment toward recruitment variable can be seen in Table 4.6 below:

Table 4.6
Assessment of Compensation

Item	Indicators	Mean	Categori zed
X1.1	I feel the company has been fair in providing compensation	3.97	High
X1.2	I feel the company is on time to pay or pay	4.23	High
X1.3	I am satisfied with the additional compensation beyond salary and wages	4.03	High
X1.4	I am satisfied with giving a "reward" for additional work	3.95	High
X1.5	I am satisfied with the provision of health insurance from agencies/companies	3.95	High
X1.6	I am satisfied with the provision of counseling for employees	3.62	High
X1.7	I am satisfied with the provision of holidays for employees/employees borne by the company	3.95	High
X1.8	I feel that the facilities provided by the company support employee operations	3.92	High
X1.9	I feel that companies give awards for the work performance of employees.	3.85	High

X1.10	I feel that there are comfort and security at work.	4.13	High
Total mean value of results		3.96	High

Source: Primary Data Processed in 2019

Based on the Table 4.6 above, the mean of this variable is 3.96 which means high categorized. Then, the highest mean of item in compensation is employee feeling that company on time to pay the compensation with mean score is 4.23, while the lowest item in compensation is employee satisfied with the provision of counselling for employees.

2. Independent Variable of Work Environment (X2)

The variable of compensation has several statements measured by using 5 scales, ranging from very low score for strongly disagree and very high score for strongly agree. The descriptive result of respondents' assessment toward recruitment variable can be seen in Table 4.7 below:

Table 4.7
Assessment of Work Environment

Item	Indicators	Mean	Categorized
X2.1	Good air circulation makes me feel comfortable	4.10	High
X2.2	The temperature at the work location is quite good	3.79	High
X2.3	The temperature at the work site affects my work	3.79	High
X2.4	I feel calm working here	3.95	High
X2.5	My work environment makes me calm	3.95	High
X2.6	Lighting at work sites is equipped with windows and lights that are sufficient and do not interfere with work activities.	4.15	High

X2.7	The color of the room where I work is good and does not interfere with the work I do	3.90	High
X2.8	Furniture in the workplace is flexible enough to be adjusted, arranged or rearranged	3.87	High
X2.9	The workplace layout supports work activities, accelerates task completion and encourages interaction between employees	4.05	High
Total mean value of results		3.95	High

Source: Primary Data Processed in 2019

Based on the Table 4.7 above, the mean of this variable is 3.95 which means high categorized. Then, the highest mean of item in work environment is lighting at work sites is equipped with windows and lights that are sufficient and do not interfere with work activities with mean score is 4.15, while the lowest item in work environment is the temperature at the work location is quite good and the temperature at the work site affects my work.

3. Intervening variable of Job Satisfaction (Y)

The variable of compensation has several statements measured by using 5 scales, ranging from very low score for strongly disagree and very high score for strongly agree. The descriptive result of respondents' assessment toward recruitment variable can be seen in Table 4.8 below:

Table 4.8
Assessment of Job Satisfaction

Item	Indicators	Mean	Categorized
Y.1	I feel satisfied with the	4.08	High

	work that is currently being done		
Y.2	I feel the work given is in accordance with my abilities	4.18	High
Y.3	I feel that the salary provided is in accordance with the group	3.95	High
Y.4	I feel that the size and type of salary received is in accordance with the workload borne	3.74	High
Y.5	I am satisfied with all types of compensation provided by the agency	3.97	High
Y.6	Facilities and equipment at my workplace are complete and adequate	3.97	High
Y.7	The room where I work is comfortable and is clean	4.00	High
Y.8	The boss has given direction to subordinates in every job	4.08	High
Y.9	Communication between superiors and subordinates is well established in solving work problems	4.05	High
Y.10	I feel that relationships with colleagues are well established	4.15	High
Y.11	I feel that I have no difficulty working with a cross or one work unit	4.10	High
Total mean value of results		4.03	High

Source: Primary Data Processed in 2019

Based on the Table 4.8 above, the mean of this variable is 4.03 which means high categorized. Then, the highest mean of item in job satisfaction is the feel the work given is in accordance with my abilities with mean score 4.18, while the lowest item in job satisfaction is the feel that the size and type of salary received is in accordance with the workload borne.

4. Dependent variable of Employee performance (Y)

The variable of compensation has several statements measured by using 5 scales, ranging from very low score for strongly disagree and very high score for strongly agree. The descriptive result of respondents' assessment toward recruitment variable can be seen in Table 4.9 below

Table 4.9
Assessment of Employee Performance

Item	Indicators	Mean	Categorized
Z.1	I feel that I have produced quality work	4.00	High
Z.2	I felt the results of the work produced did not disappoint the agency	4.05	High
Z.3	I can complete the work according to the target number	3.92	High
Z.4	I can complete additional work along with the main job	3.82	High
Z.5	I can solve work problems quickly	3.87	High
Z.6	I can complete the work according to the predetermined time target	4.13	High
Z.7	I can finish the job effectively	4.05	High
Z.8	I can finish the job efficiently	3.97	High
Z.9	I do individual tasks well	4.05	High
Z.10	I did my work without the help of other employees	3.44	High
Z.11	I try to come according to the specified work schedule	4.18	High
Z.12	I come and go home from work according to the working hours determined by the company	4.23	High
Total mean value of results		3.98	High

Source: Primary Data Processed in 2019

Based on the Table 4.9 above, the mean of this variable is 3.98 which means very high categorized. Then, the highest mean of item in employee

performance is employee come and go home from work according to the working hours determined by the company with mean score is 4.23, while the lowest item in employee performance is the employee did the work without the help of other employees.

Table 4.10
Statistic Descriptive Results

Variable	Minimum	Maximum	Mean	Std. Deviation
Compensation	1.90	5.00	3.96	0.7151
Work Environment	2.67	5.00	3.95	0.6191
Job Satisfaction	2.67	5.00	4.03	0.6309
Employee Performance	2.54	5.00	3.98	0.5972

Source: Primary Data Processed in 2019

Based on Table 4.10 it is known that the responses of respondents to research variables are considered to be good result. This is shown from the mean of compensation variable is 3.96 categorized as high. The work environment variable which is 3.95 categorized as high. Then the job satisfaction variable is 4.03 categorized as high and for the employee performance, the variable mean is 3.98 which is categorized as high.

4.3 Respondents Characteristic

The description of respondents' characteristic describes the employee profile of PT Madukismo sugar & spirits factory consisting of gender, age, working period, and department.

4.3.1 Gender

The respondents in this research were classified by gender. It can be seen on the table 4.11.

Table 4.11

Classification of Respondents by Gender

Gender	Frequency	Percent
Male	29	74.4%
Female	10	25.6%
Total	39	100%

Source: Primary Data Processed in 2019

Referring to table 4.11, the table describes that the majority of respondents are male, which is 29 (74.4%) respondents. Meanwhile, female respondents are 10 (25.6%).

4.3.2 Department

The respondents in this research were classified by department. It can be seen on the table 4.12 below.

Table 4.12

Classification of Respondents by Department

Department	Frequency	Percent
SPI	2	5.1%
Accounting and Financing	6	15.4%
Manufacturing	4	10.3%
Plant	7	17.9%
Installation	7	17.9%
Spirits Factory	4	10.3%
Marketing	2	5.1%
Human Resource Department	7	17.9%
Total	39	100%

Source: Primary Data Processed in 2019

As shown in table 4.12, there are 7 samples from each plant department, installation, and human resource department. 6 samples from the accounting and finance department. 4 samples from each manufacturing department and spirits factory and 2 samples from each SPI department and marketing department.

4.3.3 Age

The respondents in this research were classified by age. It can be seen on the table 4.13 below.

Table 4.13
Classification of Respondents by Age

Age	Frequency	Percentage
<21 years old	1	2.6%
21-30 years old	7	17.9%
31-40 years old	16	41.0%

41-50 years old	10	25.6%
>50 years old	5	12.8%
Total	39	100%

Source: Primary Data Processed in 2019

As described in table 4.13, the majority of respondents were 31-40 years old with the total of 16 (41%). Then, there are 10 (25.6%) respondents within 41-50 years old. Then 7 (17.9%) respondents aged 21-30 years old and the rests are 5 (12.8%) respondents who were >50 years old, also 1 (2.6%) respondents were <21 years old.

4.3.4 Working Period

The respondents in this research were classified by working period. It can be seen on the table 4.14 below.

Table 4.14
Classification of Respondents by Working Period

Working period	Frequency	Percentage
1-5 years	9	23.1%
6-10 years	10	25.6%
11-15 years	11	28.2%
>15 years	9	23.1%
Total	39	100%

Source: Primary Data Processed in 2019

As shown in table 4.14, the majority of respondents have been working for 11-15 years which is represented by 11 (28.2%). The second classification of

respondents based on working period is within 6-10 years which is represented by 10 (25.6%) respondents. Then, there are 9 (23.1%) respondents that have been working on the company for 1-5 years and also 9 (23.1%) respondents have been working for >15-30 years

4.4 Classical Assumption

The purpose of classical assumption test is to provide assurance that the obtained regression equation is precise in estimation, unbiased result and consistent.

4.4.1 Normality test

The normality test is used to prove that the population of the data is normally distributed or not. Normality testing in this study uses the Kolmogorov-Smirnov One Sample Test with a significance level of 0.05. Data that is stated to be normally distributed if the significance level is greater than 0.05 or ($p > 0.05$). The results of the normality test calculation are presented in the following table.

Table 4.15
Normality Tests Table

No	Variable	Significances	Requirement	Explanation
1	Compensation	0.130	0.050	Normal
2	Work Environment	0.200	0.050	Normal
3	Job Satisfaction	0.072	0.050	Normal
4	Employee Performance	0.096	0.050	Normal

Source: Primary Data processed in 2019

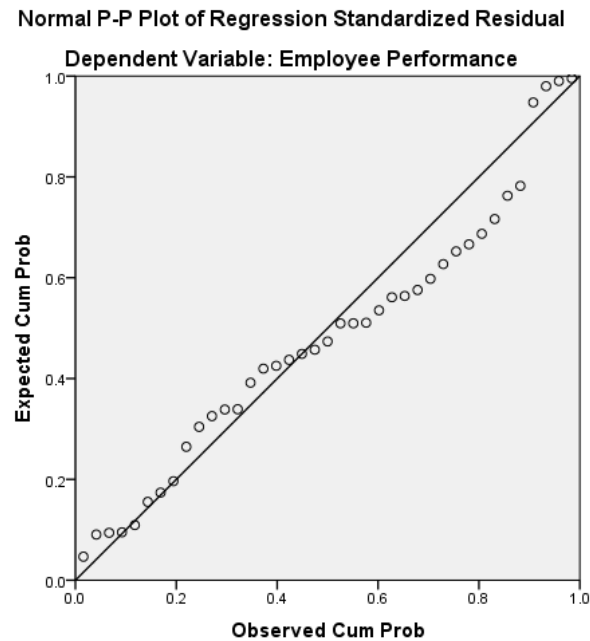


Figure 4.1 Normality Plots

Based on the table 4.15 above, it is known that the value of Asymp. Sig (significance value) variable Compensation, Work Environment, Job Satisfaction and Employee Performance is greater than the Sig value of 0.05 so it can be said that the research data is normally distributed.

4.4.2 Multicollinearity Test

Multicollinearity is a condition of linear relation between independent variables used in a regression model. A multicollinearity function is used to see if the variables in a multiple linear regression model are highly correlated. Multicollinearity can be seen from the tolerance value and the *Variable Inflation Factor* (VIF) is the opposite. If VIF exceeds 10 or the tolerance value is less than 0.10, multicollinearity and

vice versa are present. The following table is the result of the multicollinearity test used in this research for independent variables:

Table 4.16
Multicollinearity table

Variable	Tolerance Value	VIF	Explanation
Compensation	0.813	1.230	No Multicollinearity
Work Environment	0.835	1.197	No Multicollinearity
Job Satisfaction	0.793	1.261	No Multicollinearity

Source: Primary Data processed in 2019

The result of multicollinearity test in table 4.16 show that the VIF value of compensation, work environment, and job satisfaction are 1,230; 1,197; 1,261 which less than 10 while the tolerance value of compensation, work environment, and job satisfaction are 0,813; 0,835; 0,793 which greater than 0,10. Thus, independent variables and intervening variable are free from multicollinearity symptoms or there is no multicollinearity between all of the independent variables and intervening variable.

4.4.3 Heteroscedasticity Test

The purpose of heteroscedasticity test is to determine whether there is any deviation on the heteroscedasticity classical assumption or not. If the residual variance is not absolute, it is called heteroscedasticity, if there is an absolute residual variance for all of the observations, then it is called homoscedasticity. A good regression model should be homoscedasticity or free from heteroscedasticity. SPSS 23.0 software was used to determine

the existence of heteroscedasticity based on the result of the heteroscedasticity test for the independent variable.

Table 4.17
Heteroscedasticity Table

Variable	Significance	Explanation
Compensation	0.135	No heteroscedasticity
Work Environment	0.723	No heteroscedasticity
Job Satisfaction	0.836	No heteroscedasticity

Source: Primary Data processed in 2019

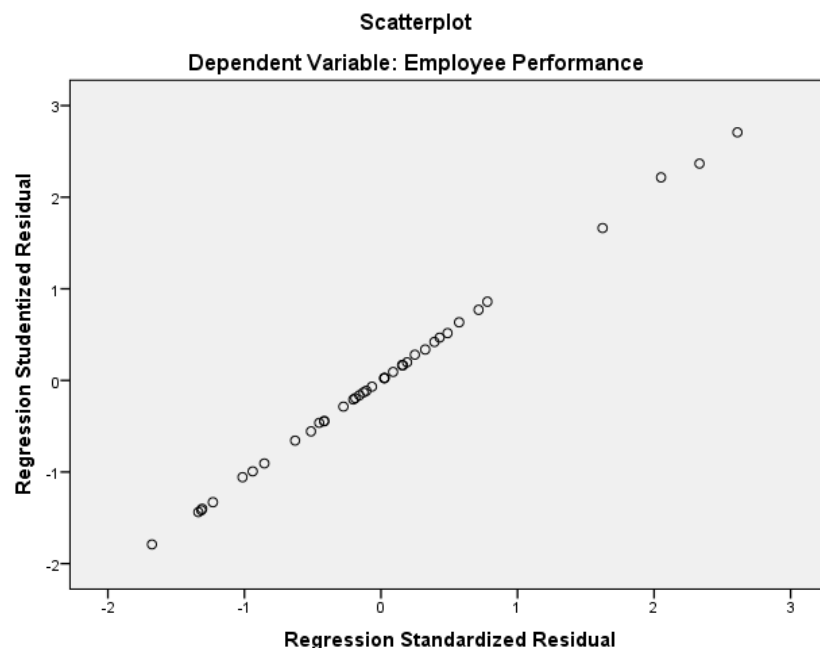


Figure 4.2 Heteroscedasticity plots

From the table above, it can be seen that the compensation variable has a significance value of 0.135, the work environment variable has a significance value of 0.723 and the job satisfaction variable has a significance value of 0.836 where all > 0.05 . This shows that there is no of heteroscedasticity for all three variables.

4.5 Hypotheses testing

4.5.1 f-Test

F-test is used to test whether the independent variables (compensation, work environment), intervening variable (job satisfaction) influence the dependent variable (employee performance). F-test can be explained by using Analysis of Variance (ANOVA). In addition, the F-test can also determine whether the model of linear regression used is correct or not. The result of F-test can be seen in table below

Table 4.18
f-test table

F	Significances
11.840	0.000

Source: Primary Data Processed in 2019

Based on table 4.18 above, the ANOVA table obtained the significance level which is 0,000. Thus, the probability of significance is $0,000 < 0,05$ which means the variable of compensation, work environment, and job satisfaction are influencing the employee performance.

4.5.2 t-Test

The partially or individually testing to determine the influence of each independent variable of (compensation and work environment) which have influence on intervening variable (job satisfaction) and dependent variable (employee performance). Tables below shows the result of t-test values in this research.

Table 4.19

t-test results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	32.023	5.450		5.875	.000
	Job Satisfaction	.353	.123	.427	2.869	.007

a. Dependent Variable: Employee Performance

H₁: There is a positive influence of compensation toward job satisfaction

H₀: There is no positive influence of compensation toward job satisfaction

H₁: There is a positive influence of compensation toward job satisfaction

According to table 4.19, the result of the hypothesis testing revealed that the significant value of compensation is 0,017 which is lower than 0,05. It can be concluded that H₀ is rejected or H₁ is accepted. In addition, the table shows that the regression coefficient value is positive. It means that there is a positive influence of compensation on job satisfaction in PT Madukismo. Thus, the better the compensation the better the job satisfaction of the employee.

H₂: There is positive influence of work environment toward job satisfaction.

H₀: There is no positive influence of work environment toward job satisfaction.

H₁: There is positive influence of work environment toward job satisfaction.

According to table 4.19, the result of the hypothesis testing revealed that the significant value of compensation is 0,030 which is lower than 0,05. It can be concluded that H₀ is rejected or H₁ is accepted. In addition, the table shows that the regression coefficient value is positive. It means that there is a positive influence of work environment on job satisfaction in PT Madukismo. Thus, the better the work environment the better the job satisfaction of the employee.

Table 4.20

t-test results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.124	7.783		.273	.787
	Compensation	.440	.103	.522	4.274	.000
	Work Environment	.743	.154	.589	4.824	.000

a. Dependent Variable: Employee Performance

H₃: There is a positive influence of job satisfaction toward employee performance

H₀: There is no positive influence of compensation toward employee performance

H₁: There is a positive influence of compensation toward employee performance

According to table 4.20, the result of the hypothesis testing revealed that the significant value of compensation is 0,007 which is lower than 0,05. It can be concluded that H₀ is rejected or H₁ is accepted. In addition, the table shows that the regression coefficient value is positive. It means that there is a positive influence of job satisfaction on employee performance in PT Madukismo. Thus, if the employee more satisfies then they will perform better.

Table 4.21

t-test results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.124	7.783		.273	.787
	Compensation	.440	.103	.522	4.274	.000
	Work Environment	.743	.154	.589	4.824	.000

a. Dependent Variable: Employee Performance

H₄: There is a positive influence of compensation toward employee performance

H₀: There is no positive influence of compensation toward employee performance

H₁: There is a positive influence of compensation toward employee performance

According to table 4.21, the result of the hypothesis testing revealed that the significant value of compensation is 0,000 which is lower than 0,05. It can be concluded that H₀ is rejected or H₁ is accepted. In addition, the table shows that the regression coefficient value is positive. It means that there is a positive influence of compensation toward employee performance in PT Madukismo. Thus, if the employee gets better compensation then they will perform better.

H₅: There is a positive influence of work environment toward employee performance

H₀: There is no positive influence on the work environment toward employee performance

H₁: There is a positive influence on the work environment toward employee performance

According to table 4.21, the result of the hypothesis testing revealed that the significant value of compensation is 0,000 which is lower than 0,05. It can be concluded that H₀ is rejected or H₁ is accepted. In addition, the table shows that the regression coefficient value is positive. It means that there is a positive influence of work environment toward employee performance in PT Madukismo. Thus, if the employee gets a better work environment then they will perform better

4.5.3 Path Analysis

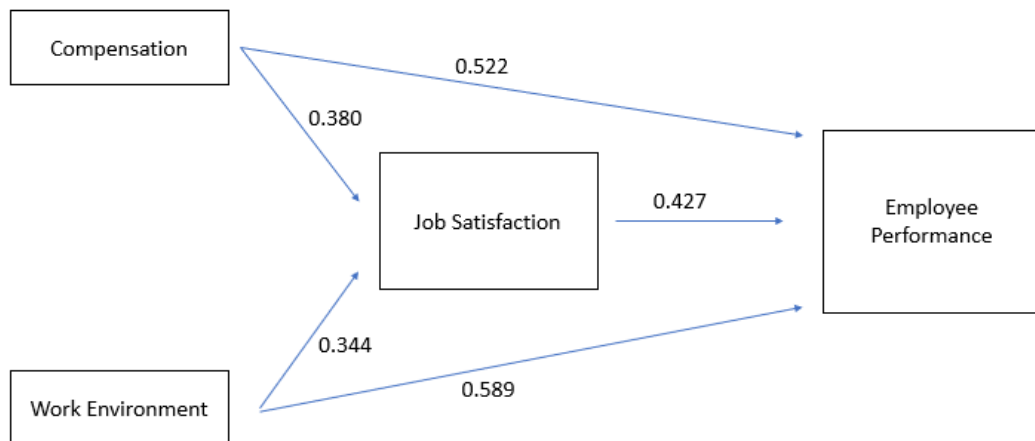


Figure 4.5

H₆: Job satisfaction mediates the influence of compensation toward employee performance

It is known that the direct effect of compensation on performance is 0.522. while the indirect effect of compensation through job satisfaction on employee performance is the multiplication of the value of beta compensation to job satisfaction with the value of job satisfaction on employee performance, which is $0.380 \times 0.427 = 0.162$, then the effect of total given compensation is a direct effect plus an indirect effect of $0.522 + 0.162 = 0.684$. Based on the results of the calculation above it is known that the direct effect value is 0.522 and the indirect effect is 0.162. These result indicates that job satisfaction mediates the influence of compensation on employee performance. However, job satisfaction does not have a large impact as an intervening variable as we can see the value of direct influence is greater than the direct influence.

H₇: Job satisfaction mediates the influence of working environment toward employee performance

It is known that the direct effect of work environment on performance is 0.589. while the indirect effect of work environment through job satisfaction on employee performance is the multiplication of the value of beta compensation to job satisfaction with the value of job satisfaction on employee performance, which is $0.344 \times 0.427 = 0.147$, then the effect of total given compensation is a direct effect plus an indirect effect of $0.589 + 0.147 = 0.736$. Based on the results of the calculation above it is known that the direct effect value is 0.589 and the indirect effect is 0.147. These result indicates that job satisfaction mediates the influence of work environment on employee performance. However, job satisfaction does not have a large impact as an intervening variable as we can see the value of direct influence is greater than the direct influence.

Table 4.22
Hypotheses result table

Hypotheses	Result
Hypothesis 1: There is a positive influence of compensation toward job satisfaction	Accepted
Hypothesis 2: There is positive influence of work environment toward job satisfaction.	Accepted
Hypotheses 3: There is a positive influence of job satisfaction toward employee performance	Accepted
Hypotheses 4: There is a positive influence of compensation toward employee	Accepted

performance	
Hypotheses 5: There is a positive influence of work environment toward employee performance	Accepted
Hypotheses 6: Job satisfaction mediates the influence of compensation toward employee performance	Accepted
Hypotheses 7: Job satisfaction mediates the influence of work environment toward employee performance	Accepted

4.6 Discussion of Research Finding

According to the result of this research, it proves that the compensation in PT Madukismo Yogyakarta has positive and significant influence toward employee performance with the probability value of compensation is 0.017, that is less than the level of significant $\alpha = 0.05$. Therefore, from the hypothesis testing result, H_0 is rejected. The finding is also supported by the research conducted by Muguongo et al (2015) compensation plays an important role in determining employees' job satisfaction. It is also supported by research by Widyawati and Verawati (2016) they found that compensation has a positive effect and significant towards employee job satisfaction. An addition from Juliarti, et al(2018) compensation has a positive and significant effect on employee job satisfaction on PT. PAG. The second result of this research, it proves that the work environment in PT Madukismo Yogyakarta has positive and significant influence toward employee performance with the probability

value of compensation is 0.017, that is less than the level of significant $\alpha = 0.05$. Therefore, from the hypothesis testing result, H_0 is rejected. The finding is also supported by the research conducted by Yunanda (2013), her study indicates a significant positive influence between work environment variables on employee satisfaction variables on employees. An addition from Raziq & Maulabakhs (2015), the results of their study indicate the existence positive relationship between work environment and satisfaction employee work. According to Lukiyana & Halima (2016), they found that employee job satisfaction can improve employee performance, through company support by creating a work environment that is quite comfortable for employees. According to Sukdeo (2014), there is indeed a strong correlation between employee satisfaction and productivity on organizational performance affected by the work environment.

The third result of this research, it proves that the job satisfaction in PT Madukismo Yogyakarta has positive and significant influence toward employee performance with the probability value of compensation is 0.007, that is less than the level of significant $\alpha = 0.05$. Therefore, from the hypothesis testing result, H_0 is rejected. The finding is also supported by Changriawan (2017), his study shows the results of testing and analysis that has been done, it can be seen that the job affects the performance of employees. An addition from Awan & Asghar (2014), the relationship between job satisfaction and salary packages, job security, and

reward systems are positively correlated and job satisfaction has a direct and significant impact on employee performance.

The fourth result of this research, it proves that the compensation in PT Madukismo Yogyakarta has positive and significant influence toward job satisfaction with the probability value of compensation is 0.000, that is less than the level of significant $\alpha = 0.05$. Therefore, from the hypothesis testing result, H_0 is rejected. The finding is also supported by Pratama et al. (2015), they found that there is a significant positive influence between financial and non-financial compensation on the performance of employees of PT. Asuransi Jiwasraya (Persero). An addition from Amrullah (2012), he found that financial compensation and non-financial compensation partially had a positive and significant effect on employee performance. According to Siddiqi & Tangem (2018), They found out that compensation has a positive impact on employees' performance.

The fifth result of this research, it proves that the work environment in PT Madukismo Yogyakarta has positive and significant influence toward job satisfaction with the probability value of compensation is 0.000, that is less than the level of significant $\alpha = 0.05$. Therefore, from the hypothesis testing result, H_0 is rejected. The finding is also supported by Rahmawati et al. (2014), they found that physical and nonphysical work environment has an influence on employee performance. According to Kisanti (2013), work environment variable has

a positive and significant effect on employee performance variables. An addition from Nanzushi (2015), he found out that employees' performance was influenced by several work environment factors. According to Nadeem & Ahmad (2017), the surveyed managers of manufacturing organizations of Pakistan perceived that work environment, supervisor support, employee willingness, work aid have a positively correlate and positively affect with each other. Also, Work environment and employee performance show a positive relationship.

The sixth result of this research, it proves that the compensation in PT Madukismo Yogyakarta has positive and significant influence toward employee performance through job satisfaction. Therefore, from the hypothesis testing result, H₀ is rejected. The finding is also supported by Sopiah (2013), there is a significant positive financial compensation to performance through job satisfaction. In addition to that, Darma and Supriyanto (2017) found that employee satisfaction mediates the effect of compensation on employee performance at PT. Telekomunikasi Indonesia. Baledi and Saeed (2017) found the effect of the compensation effect the employees through job satisfaction is positive so job satisfaction plays the role of mediator between compensation and employees' performance in Jordanian newspaper. Renwarin & Abadi (2017) research also shows that compensation and job satisfaction significantly influence job performance. The results also show that there is an indirect positive effect that job satisfaction meditates compensation toward employee performance.

The seventh result of this research, it proves that the work environment in PT Madukismo Yogyakarta has positive and significant influence on employee performance through job satisfaction. Therefore, from the hypothesis testing result, H0 is rejected. The finding is also supported by Nugrahaningsih & Julaela (2017), they found out that the work environment has a positive effect on Performance through Job satisfaction as a moderating variable. There is indeed a strong correlation between employee satisfaction and productivity on organizational performance, it was found that the determinants of the working environment have a significant impact on employee satisfaction (Sukdeo, 2014). Furthermore, Juliarti, et al. (2018) found out that work environment has a positive and significant effect on the performance through job satisfaction in the PT. PAG. Last addition from Ashraf et al. (2013) also suggests that there is a relationship between the work environment and organizational performance and job satisfaction as a mediating role in the textile sector in Faisalabad, Pakistan.