

**The Influence of Compensation and Work
Environment On Employee Job Performance Through
Job Satisfaction In PT Madubaru, Yogyakarta**

A THESIS

Presented as Partial Fulfillment of the Requirements to Obtain the Bachelor
Degree in Management Department



By:

Muhammad Rifki Al Ghifari

Student Number : 14311592

**DEPARTMENT OF MANAGEMENT
INTERNATIONAL PROGRAM
FACULTY OF ECONOMICS
UNIVERSITAS ISLAM INDONESIA
YOGYAKARTA**

2019

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Employee Job Performance Through Job Satisfaction In PT
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A UNDERGRADUATE DEGREE THESIS

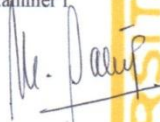
By:

MUHAMMAD RIFKI AL GHIFARI

Student Number: 14311592

Defended before the Board of Examiners
On May 2019 and Declare Acceptable

Board of Examiners
Examiner I



Majang Palupi, B.B.A., M.B.A.

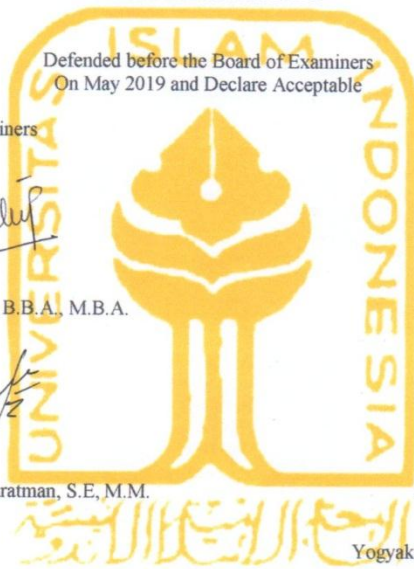
May 7, 2019

Examiner II



Andriyastuti Suratman, S.E., M.M.

May 7, 2019



Yogyakarta, May 2019

International Program
Faculty of Economics
Universitas Islam Indonesia
Dean



(Jaka Sriyana, S.E., M.Si., Ph.D.)

**The Influence of Compensation and Work Environment On
Employee Job Performance Through Job Satisfaction In PT
Madubaru, Yogyakarta**

Written By:

MUHAMMAD RIFKI AL GHIFARI

Student Number: 14311592

Approved By

Content Advisor,



Andriyastuti Suratman, S.E, M.M.

March.....th, 2019

Language Advisor,



Riefki Fajar Ganda Wiguna, S.Pd.

March.....th, 2019



DECLARATION OF AUTHENTICITY

Herein, I declare the originality of thesis; I have not presented anyone else's work to obtain my university degree, nor have I presented anyone else's words, idea, or expression without acknowledgment. All quotation are cited and listed in the bibliography of the thesis. If in the future this thesis statement is proven false, I am willing to accept any sanction complying with the determined regulation or its consequence.

Yogyakarta,



Muhammad Rifki Al Ghifari

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With the blessing of our one and only Lord, this thesis entitled “The Influence of Compensation and Work Environment On Employee Job Performance Through Job Satisfaction In PT Madubaru, Yogyakarta” can be done. Thesis writing is one of the requirements for student to get a bachelor degree in Department of Management, Faculty of Economics, Universitas Islam Indonesia.

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Yogyakarta, March 10th , 2019

Muhammad Rifki Al Ghifari



The Influence of Compensation and Work Environment On Employee Job Performance Through Job Satisfaction In PT Madubaru, Yogyakarta

Muhammad Rifki Al Ghifari
Faculty of Economics, Universitas Islam Indonesia
mralghifari@live.com

ABSTRACT

Employee performance is the fundamental things in an organization. Organizations must always maintain the performance of employees to be able to provide optimal results in the organization. The way to keep employee performance in a good condition is to be recognized through several influential factors, some of them are compensation, work environment, and job satisfaction. The writer's purpose in this study is to examine and analyze the effect of the compensation and working environment condition towards employee performance through job satisfaction. The samples of this research were permanent employees of PT Madubaru. The questionnaires were distributed to 50 respondents from 8 departments, 47 questionnaires were properly filled by the employees and due to outliers data analysed only 39. The analytical tool used in this research is multiple linear regression using SPSS version 23.0. The results of this research showed there were positive influence of compensation, work environment, through employee performance through job satisfaction .

Keywords: *Compensation, Work Environment, Job Satisfaction, Employee Performance, Sugar and Spirits Company.*

**Pengaruh Kompensasi dan Lingkungan Kerja terhadap
Kinerja Karyawan Melalui Kepuasan Kerja Pada PT
Madubaru, Yogyakarta**

Muhammad Rifki Al Ghifari
Faculty of Economics, Universitas Islam Indonesia
mralghifari@live.com

ABSTRAK

Kinerja karyawan adalah hal mendasar dalam suatu organisasi. Organisasi harus selalu menjaga kinerja para karyawan untuk dapat memberikan hasil yang optimal dalam organisasi. Cara untuk menjaga kinerja karyawan dalam kondisi yang baik harus diakui melalui beberapa faktor yang berpengaruh, beberapa di antaranya adalah kompensasi, lingkungan kerja, dan kepuasan kerja. Tujuan penulis dalam penelitian ini adalah untuk menguji dan menganalisis pengaruh kompensasi dan kondisi lingkungan kerja terhadap kinerja karyawan melalui kepuasan kerja. Sampel dalam penelitian ini adalah karyawan tetap PT Madubaru. Kuesioner dibagikan kepada 50 responden dari 8 departemen, 47 kuesioner diisi dengan baik oleh karyawan dan karena data pencilan dianalisis hanya 39. Alat analisis yang digunakan dalam penelitian ini adalah regresi linier berganda menggunakan SPSS versi 23.0. Hasil penelitian ini menunjukkan ada pengaruh positif kompensasi, lingkungan kerja, melalui kinerja karyawan melalui kepuasan kerja.

Kata Kunci: *Kompensasi, Lingkungan Kerja, Kepuasan Kerja, Kinerja Karyawan, Perusahaan Gula dan Spiritus*

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CHAPTER I

INTRODUCTION

1. Introduction

This chapter contains the problem discovered by the researcher and provides a background for a sample. In order to provide the basis for the study, the chapter introduces the whole research, the hypotheses and the problem statement. The chapter also discusses the scope of its study and the significance of the study to society in general, as well as the specific effects on management of the company.

1.1 Background of Study

In a successful organization nowadays, human resource is the most significant and precious asset of any organization, which is essential for healthy operation of all other resources of the organization (Salunke, 2015). Human resources who work in organizations today unlike in the past, are considered one of the most valuable assets an organization can acquire, maintain and develop in order to attain competitive advantage (Dessler, 2013). The success of the organization reaches its goals and goals are largely determined by manager's performance and employee performance (Ghofur, et al., 2017). Managing employees is one of the keys to the success of a business organization. The task of human resource managers in managing employees is about how efforts might be made to improve employee job satisfaction (Wibowo, et al., 2014). In order to improve employee productivity and

performance, companies need to pay attention towards the employee job satisfaction because higher level of job satisfaction leads to higher employee productivity and performance (Tio, 2014).

Employee's job performance has a great potential to help the organization achieve its goals (Rashid et al, 2014). In order to keep achieving competitive advantage over others by achieving organizational goals, employer should keep their employee in the top performance to perform well. Employee performance is the work quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara, 2000). All the work of employee was one of the responsibilities that they receive from employer to do specific job. Dessler (2002) said that employee performance is the actual achievement of employees compared to the expected performance of employees. An employee who has a good and better performance ready to help the accomplishment of the objectives and destinations set by the organization (Juliarti et al, 2018). The influence of employee performance is very big in determining the development of a company, to encourage employees to work well so as to improve job performance and achievement of organizational goals (Widagdo et al, 2018).

Job satisfaction is still important for organizations because employees, who are satisfied with their job, may display high effort in their jobs (Bakan & Buyukbese, 2013). The need for ensuring employee job satisfaction becomes a matter of necessity for every organization (Inuwa, 2016). The highly satisfied

workforce is an absolute necessity for achieving a high level of performance advancement of an organization (Pushpakumari, 2008). An individual who has good performance is supported by a high level of job satisfaction in his or her work since job satisfaction is one of the major concerns of the organization. According to Handoko (2001) job satisfaction is a pleasant or unpleasant emotional state by which employees view their work. Job satisfaction reflects a person's feelings about his work. Sukdeo (2017) also said a principal requirement for employee satisfaction is a workplace which enables employee to play out their work at an ideal dimension, in a helpful and agreeable condition. The working environment plays an integral role toward employee satisfaction as well as the impact of employee satisfaction on productivity. Employees with high job satisfaction certainly have high morale, so their work performance will be maximized as well (Changgriawan, 2017). So, in order to improve employee productivity and performance, companies need to pay attention towards the employee job satisfaction because a higher level of job satisfaction leads to higher employee productivity and performance (Tio, 2014).

The company also should maintain their compensation system inside the company to keep their employee feel satisfied to be in the company. Compensation is all that is received by employees who aim as remuneration for what the employee has done (Handoko, 2009). Salisu et al. (2015) also add that compensation is the reward workers receive for their service or contribution to the organization. An employer should manage any

compensation to satisfy the employee and also to make them perform at their best. Flippo (2002) said that the function of compensation is defined as the adequate and equitable remuneration of personnel for their contributions to the organizational objectives. According to Bernardin (2007) compensation being one of the factors that influences job performance is referred to like all forms of financial returns and tangible benefits received by an employee as a part of the employee-employer relationship. Effective compensation is relied upon to increase the value of employee satisfaction to stimulate workers to dependably work better (Darma and Supriyanto, 2017).

The work environment both physically and non-physically is very expected by employees, conversely, if the work environment is bad, employees do not have job satisfaction in him. The work environment can implicate the social relation at the workplace and also maintain the relationship between colleague, supervisor and the organization (Jain and Kaur, 2014). According to Sedarmayanti (2009), the definition of the work environment is the entire tool and material equipment faced, the surrounding environment in which a person works, his working method, and the work arrangements both as individuals and as a group. Robbins (2002) also add that employees pay great attention to their work environment, both in terms of personal comfort and ease of doing good work. The work environment which encompasses several factors impacts on the way the employees perform their work, a comfortable and all-inclusive workplace environment will boost the employees' performance hence boosting the organizational performance

(Nanzushi, 2015). Lankeshwara (2016) also add that the workplace environment gives an immense impact on the employees either towards the negative outcomes or positive outcomes. If they feeling well about their work they may give a good impact to the company such as giving a good performance.

Compensation has a positive influence toward Employee Performance, according to 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). According to Ramzan Et al. (2014) Compensation has a positive impact on employee performance. It is proved from correlation analysis that all the independent variables have a weak or moderate positive relationship to each other. According to Amrullah (2012), he found that financial compensation and non-financial compensation partially had a positive and significant effect on employee performance. According to Masea (2016), The study indicated that equity-based compensation affects productivity at the SACCO to a very great extent. According to Siddiqi & Tangem (2018), They found out that compensation has a positive impact on employees performance.

Work Environment has a positive influence toward employee performance, In order to increase efficiency, effectiveness, productivity and job commitment of employees, the business must satisfy the needs of its employees by providing good working conditions (Raziq&Maulabakhsh, 2015). It is also supported by research by Rahmawati et al. (2014) they found

that physical and non-physical workplace has an effect on worker performance. As indicated by Kisanti (2013), working environment variable has a positive and critical impact on employee performance factors. According to Nugrahaningsih & Julaela (2017) working condition positively affects Performance through Job satisfaction as a intervening variable. According to Nanzushi (2015), he discovered that employees performance was impacted by a few workplace factors. Nanzushi discovered that employees were happy with their physical workplaces perspectives like furnishings, spatial formats, lighting and noise levels. According to Nadeem & Ahmad (2017), the surveyed managers of assembling organizations of Pakistan saw that workplace, supervisor help, worker ability, work aid have a decidedly connect and emphatically influence with every others. Likewise, Work environment and employee performance demonstrates a positive relationship.

Compensation has a positive impact toward employment satisfaction. As per Muguongo et al(2015) compensation assumes an imperative job in deciding employees satisfaction. It is also supported by research by Widawati and Verawati (2016) they found that compensation has a positive effect and significant towards employee job satisfaction. According to Salisu (2015), the results of her study indicate that compensation has a positive effect on job satisfaction. According to Chaudry et al (2011), They found out that there is a positive relationship between compensation and employee job satisfaction. Employee job satisfaction is created because it is supported by compensation itself, salary satisfaction, work involvement, work inspiration

which ultimately impacts on increasing employee performance. According to Juliarti et al. (2018) compensation has a positive and significant effect on employee job satisfaction on PT. PAG. According to Mabaso & Dlamini (2017) compensation has a positive and significant effect on job satisfaction.

Work Environment has a positive influence on job satisfaction. According to Yunanda (2013), his study indicates a significant positive influence between work environment variables on employee satisfaction variables on employees. Which the better a company serve the employee by serving a good work environment it can make the employee more satisfying to work. According to Raziq & Maulabakhs (2015), the results of their study indicate the existence positive relationship between work environment and satisfaction employee work. According to Agbozo et al. (2017), They found out that most of the staff in the bank feel satisfied with the environment their work is mainly the atmosphere physical. 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 to be sure a solid connection between's employee satisfaction and efficiency on organizational performance.

Job Satisfaction has a positive influence on employee performance. According to Changgriawan (2017), his study shows the results of testing and analysis that has been done, it can be seen that the job affect the performance of employees. If the employee satisfied with their job they will give a good performance to the company. According to Shaju & Subhashini (2017), their

study shows there is a positive relationship between dimensions of job satisfaction and employee performance at the supervisory level and workers working in the car industry. According to Saeed (2016), the results of his study indicate that there is a significant positive influence from job satisfaction and knowledge sharing toward job satisfaction employees in the oil and gas industry. According to Akbar et al (2007), there is a positive and significant influence between Job Satisfaction on Employee Performance. According to Awan & Asghar (2014), the connection between job satisfaction and compensation bundles, job security, and reward systems are decidedly associated and employee satisfaction has an immediate and huge effect on worker performance.

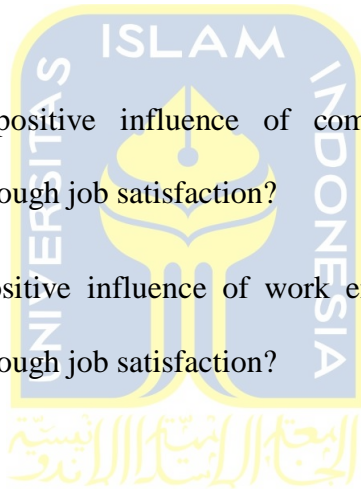
In this research, the researcher wants to know the impacts of the usage of compensation and working environment on the performance through job satisfaction in PT Madubaru, Bantul, Yogyakarta. The author is keen on conducting research with the title " The Influence of Compensation and Work Environment On Employee Job Performance Through Job Satisfaction In PT Madubaru, Yogyakarta".

1.2 Research Problem

The problem can be formulated as follows based on the background of the problems described above:

- 1) is there any positive influence of compensation toward employee satisfaction?

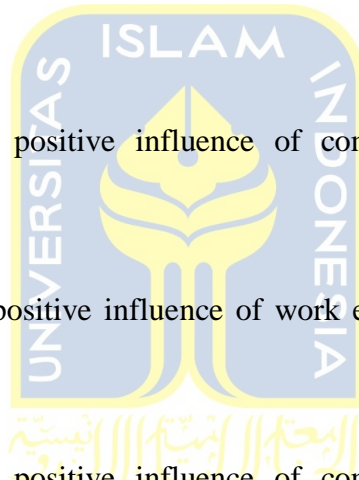
- 2) is there any positive influence of work environment toward employee satisfaction?
- 3) is there any positive influence of job satisfaction toward employee performance?
- 4) is there any positive influence of compensation toward employee performance?
- 5) is there any positive influence of work environment toward employee performance?
- 6) Is there any positive influence of compensation toward employee performance through job satisfaction?
- 7) Is there any positive influence of work environment toward employee performance through job satisfaction?



1.3 The purpose of the research

The intention and purposes of this research are namely to:

- 1) to identify the positive influence of compensation toward employee satisfaction.
- 2) to identify the positive influence of work environment toward employee satisfaction.
- 3) to identify the positive influence of job satisfaction toward employee performance.
- 4) to identify the positive influence of compensation toward employee performance.
- 5) to identify the positive influence of work environment toward employee performance.
- 6) to identify the positive influence of compensation toward employee performance through job satisfaction
- 7) to identify the positive influence of work environment toward employee performance through job satisfaction



1.4 The benefit of the research

1.4.1 For the researcher

This study gives the researcher an additional knowledge regarding the research of the study, the importance of compensation, working environment, to the employee performance in the workplace through job satisfaction of the employee.

1.4.2 For the company

The result of this study can be used by the company to evaluate their service and facilities to create a good working condition also to maintain their compensation system in accordance to keep employee give a good outcome for the company

1.4.3 For the next researchers

This research expected to be able to give additional information that can be useful to the future researcher to do research regarding this topic.



CHAPTER II

REVIEW OF RELATED LITERATURE

2. Literature Review

This chapter discusses the relevance of the study in the previous literature. It provides studies of compensation, work environment, job satisfaction, and employee performance. This chapter also provides a previous research journal and hypotheses which need to be tested in this thesis.

2.1 Theoretical Review

2.1.1 Human Resource Management

According to Snell & Bohlander (2012), Human Resource Management (HRM) is the process of managing human talent to achieve an organization's objectives. Human resource manages this process through several activities with any consideration. The idea that organizations "compete through people" highlights the fact that achieving success increasingly depends on an organization's ability to manage talent, or human capital. The term human capital describes the economic value of employees' knowledge, skills, and capabilities. In addition to that, Dessler (2015) also states that human resource management is the process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns.

The author could conclude base on the definitions above that human resources management is the process or activity that manages human resources in an organization not only by the HR department but

also the responsibility of each team leader by establishing a relationship and establishing a delegation system aimed at achieving the organizational goals.

HRM plays an integral role in the success of an organization as a whole- through the recruitment and selection of the best candidates to fill jobs. In addition, HR continues to work closely with management teams in the company to ensure the efficiency of its workforce. HRM plays a key role in HR planning, recruitment, selection, staffing, job design, training and development, performance appraisal, compensation management, and labor relations (Bohlander, 2012).

HRM covers all activities within a company that has a specific function in running a company. The scope of HRM is divided into two main functions, management functions, and operational functions, according to Dessler (2015). The first function of HRM is managerial function, there are several physical activities in this managerial function that represent the management process. These functions are planning, organizing, directing and controlling. The first is planning, planning determines in advance the objectives to be achieved by the company and how these objectives can be achieved. Set standards and objectives, develop rules and procedures, plan and forecast. The second is organizing, organizing are the activities that moving the organization as a unit in order to achieve the goals set at the beginning. By way of conducting division of tasks, grouping employees based on work. The next is directing, directing

function is to show and notify employee errors, to think of an incentive, a gift or a sanction for employees in accordance with the work performance they have accomplished. Implemented after planning and organizing. The last is controlling, controlling is managers actions or activities to make observations, research and evaluations of the implementation of all the activities of the organization that are currently or have been carried out to achieve the objectives in accordance with the plans that have been set.

The second function of HRM is the operational function, there are some operational activities that conducted in order to support operational activities. There are procurement, development, compensation, integration, maintenance, and separation. The first is procurement, procurement is an effort to provide work that is needed according to the number and quality or expertise by searching for the source of work needed, implementing the selection process and using labor based on the adjustment principle between needs and labor supply. The second is development, development is a process of increasing skills and skills, both management and operational technical skills, because the withdrawal, selection, and placement of employees do not necessarily guarantee that they can perform their work as well as possible in the new location. For this reason, the best development possible for new employees. Therefore, new employees need to be developed in order to increase their knowledge, skills, and abilities. Usually, this is done through education and training programs.

The third is compensation, compensation is interpreted by giving fair or decent rewards or awards from the company to its employees for the achievements that have been given by employees. This compensation can be in the form of wages, salaries, incentives, benefits, other means that can provide satisfaction to employees (Dessler, 2013). For the fourth activities, there is integration. Integration efforts affect employees in such a way that all their actions can be directed toward goals that benefit companies, workers and co-workers.

The fifth is maintenance, maintenance function issues how to maintain employees so that they are comfortable and able to work well in the company. Maintenance of good employees will provide good things, one of which is a low level of labor turnover. These two things that need to be considered by the company in maintaining employees are the maintenance of the physical condition and attitude of employees.

The last operational function is separation, separation is a company activity to return the workforce to the community after dedicating their energy to the company, including retirees, temporary stops, respectful dismissals, replacement of workers. Usually, the termination of employment occurs because the elderly or have exceeded the work limit permitted by the company, the company does not need the employee, or the employee submits a resignation request from the company.

2.1.1.1 Principles of HRM

There are several principles of human resource management, namely strategic integration, organizational flexibility, commitment, and quality (Dessler, 2015).

1. Strategic integration is an attempt to strategically address all labor management processes, from recruitment and training to remuneration and reduction, by integrating them into the company's broader business concerns.
2. Organizational flexibility, flexibility can be defined as the organisation adapting to size, composition, responsiveness and the people . Their inputs and costs required to achieved organisational objectives and goals.
3. Commitment, from 'control' to 'commitment' by changing the organization's culture. The mission statement should state these core values. Also only recruiting those prepared to subscribe to these core values.
4. Quality, ensuring a culture of quality: Quality work, quality workers, quality products and services; Total Quality Management, Quality assurance, and zero defects, Internal customers, Empowering workers via team working.

2.1.2 Compensation & It's Components

Compensation is a fundamental component of human resource management. Compensation is everything that employees receive as a reward for their work (Handoko, 2015). Besides, Armstrong (2005) also

indicated that the fundamental part of human resource management tactic to yield development in the organization's compensation system. Therefore, compensation has very crucial to not only for the employees but also the employers. Because compensation is not only in the form of money given to employees but many components are included in compensation.

Compensation is made up of three main components, direct, indirect and non-financial compensation (Snell & Bohlander, 2012). The direct compensation includes salaries, incentives, bonuses and commissions for employees. Indirect compensation includes the multiple benefits provided by employers. Non-financial compensation includes recognition programs for employees, rewarding jobs, organizational support, working conditions and flexible working hours to meet personal needs.

An additional compensation components come from Cascio (2003), the compensation program consists of two dimensions, which are, direct and indirect forms of compensation. Direct compensation has to do with salary part while indirect compensation is the peripheral benefits a worker enjoys because of working in an organization. Mixing the two into a package that will inspire the accomplishment of an organizations objective.

2.1.3 Work Environment

The work environment is a place where employees perform their activities. According to Schultz (2010), environment or working conditions are all physical aspects of work, psychological work and work rules that can affect job satisfaction and work productivity. Additional definition from Nitisemito (2009), the work environment is everything that is around work and can affect an employee in carrying out the tasks assigned to him.

2.1.3.1 Indicator

According to McCoy & Evans (2005), there are several indicators of the working environment, namely air components, temperature factor, sound factor, light and color factor and space factor. Air components such as carbon monoxide and unpleasant odors can have an impact on performance. Temperature factor, meaning that temperatures affect performance in the working environment. The sound factor that produces noise or disruptive sounds affects performance. Light and color factors include sunlight, light, windows and working environment views. Space structuring factor for a good working space affects good performance.

In contrast to McCoy and Evans, Sedarmayanti (2011) states that the work environment is only divided into two, namely the physical and non-physical work environments. Physical work environment is all physical conditions found around the workplace that can affect employees both directly and indirectly. While non-physical work environment is all

the conditions that occur that are related to work relations both relationships with superiors and fellow co-workers, or relationships with subordinates. Such conditions further create enthusiasm to unite in the company's organization to achieve the goal

2.1.4 Job Satisfaction

Job satisfaction is a positive feeling that is formed from the employee's assessment of his work based on employee perceptions of how well his job is done, which means that what is obtained in work meets what is considered important (Luthans, 2007). Rivai (2006) also defined satisfaction as an evaluation to describe a person feeling for happy or unhappy, satisfied or dissatisfied in work.

Job satisfaction is basically something that is individual. Each individual has a level of satisfaction different according to the value system that applies to him. Mangkunegara (2009) argue that there are five theories of job satisfaction, including:

a) Balance theory

This theory was put forward by Wexley and Yukl (1984), saying that all values received by employees who can support the implementation of work. For example, education, experience, skills, business, personal equipment, and working hours.

b) Difference theory

This theory was first pioneered by Porter (1961) who argued that measuring satisfaction can be done by calculating the difference between

what is supposed to be and the reality felt by employees. Whereas Locke (1976) argued that employee job satisfaction depends on the difference between what is obtained and what is expected by the employee.

c) Fulfillment of needs theory

According to this theory, employee job satisfaction depends on whether or not employees' needs are met. The employee will feel satisfied if he gets what he needs. The greater the employee's needs are met, the more satisfied the employee is. Similarly, if the employee's needs are not met, the employee will feel dissatisfied.

d) Group view theory

According to this theory, employee job satisfaction is not dependent on fulfilling the needs alone but is very dependent on the views and opinions of the group which employees consider to be a cuan group. The reference group is used as a benchmark to assess themselves and their environment. So, employees will be more satisfied if their work results are in accordance with the interests and needs expected by the reference group.

e) Two Factors Theory

This theory was developed by Frederick Herzberg who used A. Maslow's theory as a reference where Herzberg conducted interviews with subject engineers and accountants. Each subject was asked to share the events experienced by them, whether they were pleasant (giving satisfaction) or

not pleasant or not satisfying. Then analyzed by content analysis (content analysis) to determine the factors that cause satisfaction or dissatisfaction.

2.1.4.1 Factors Affecting Job Satisfaction

Job satisfaction is influenced by many factors, many experts suggest what are the factors that influence job satisfaction. According to Robbins (2003) there are 4 factors that affect job satisfaction, namely:

a) Work that is mentally challenging.

In general, individuals prefer jobs that provide opportunities to use skills and abilities and provide a variety of tasks, freedom, and feedback about how good the work is. These characteristics make work more challenging mentally. Less challenging work creates boredom, but which is too challenging can create frustration and feelings of failure. In the middle of the challenge conditions, most employees will experience pleasure and satisfaction.

b) Appropriate rewards

Employees want a payment system that is fair, unambiguous, and in line with employee expectations. When payments are considered fair in accordance with the demands of the work, the level of individual skills and the standard of payment of the community, satisfaction is likely.

c) Supporting working conditions.

Employees relate to their work environment for personal comfort and ease of doing good work. Which is included in working conditions such as spatial layout, cleanliness of the workspace, facilities, and tools, temperature, noise level.

d) Supporting coworkers

Individuals get something more than money or tangible achievements from work but employees also meet the needs of social interaction. A person's boss behavior is also a major determinant of satisfaction. To maintain and maintain this interpersonal relationship, it needs to be applied: mutual respect, loyalty, and tolerance between one another, open attitude and familiarity between employees.

An additional from Luthans (2007), he states that there are 5 factors that affect job satisfaction, namely:

- a) Satisfaction with payment of salaries or wages are significant but are complex and multidimensional factors in job satisfaction.
- b) Satisfaction with the job itself, jobs that provide satisfaction are interesting and challenging jobs, jobs that are not boring, and jobs that can provide status.
- c) Satisfaction with colleagues, working groups will have an effect on job satisfaction. Friendly and cooperative coworkers are a source of job satisfaction for individual employees.

- d) Satisfaction with promotion, opportunities promoted appear to have a diverse influence on job satisfaction because promotions can be in different forms and vary in rewards.
- e) Satisfaction with work supervision, supervision is another source of job satisfaction that is quite important too

2.1.5 Performance

Performance is an important element in the management. According to Mathis and Jackson (2004) performance is basically what employees do or don't do. An additional definition comes from Mangkunegara (2011), he suggest that performance is the work of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Performance becomes the real foundation in an organization because if there is no performance, the organizational goals cannot be achieved.

2.1.5.1 Components

According to Robbins (2006), performance is a result achieved by employees/employees in their work according to certain criteria that apply. Indicators for individual employee performance are six indicators, according to Robbins (2006), namely:

- a) Quality of work

Measured by employee perceptions of the quality of work produced and the perfection of tasks towards the skills and abilities of employees.

b) Quantity

The amount generated is expressed in terms such as the number of units, number of cycles of activities completed.

c) Timeline

The activity level is completed at the beginning of the stated time, seen in terms of coordination with the output results and maximizing the time available for other activities.

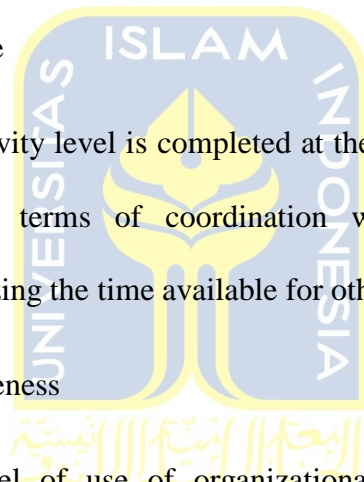
d) Effectiveness

The level of use of organizational resources (energy, money, technology, raw materials) is maximized in order to increase the yield of each unit in the use of resources.

e) Independent

Level of independence of an employee who will later be able to carry out his work function

f) Work commitment



A level where employees have a work commitment to the agency and employee responsibilities to the office.

According to Mathis (2006), performance is basically what is done or not done by employees. According to Mathis, the performance indicator consists of:

- a) Quality of work is the ideal work result in the form of quality services and products in proportion to the demands of the organization and competition.
- b) The quantity of work seen in the organization can meet the set targets. This shows the ability of the company to manage its resources in achieving its objectives.
- c) Working time can be viewed from the organization's ability to determine working time which is considered the most efficient and effective at all levels in management. Working time is the basis for an employee in completing a job or service that is his responsibility.
- d) Cooperation with coworkers is a demand for the success of the organization in achieving its stated goals because with good cooperation it will give trust to various interested parties, both directly and indirectly with the company.
- e) The presence of employees shows the morale of an employee. This characterizes an employee who has a high work ethic.

2.2 Previous Research

This part will elaborate deeply, the previous research result which is related to the hypotheses in this research. There will be 35 previous studies which will become a reference for conducting this study. All of this study includes a study about compensation, work environment, job satisfaction, and employee performance.

1. Pratama, et al. (2015)

A study conducted by Pratama, et al (2015) The title of the study is “Pengaruh Kompensasi Terhadap Kinerja Karyawan”. The population studied was as many as 49 employees who worked permanently at PT. Asuransi Jiwasraya (Persero) Malang Regional Office. In this study, the researcher using Martoyo (2000) theory for compensation and Mangkunegara (2000) for employee performance.

In this study, there are 3 variables. Financial compensation as the first independent variable (X1) and non-financial compensation as the second independent variable (X2). The last variable is Employee Performance as the dependent variable (Y1). The results show that there is a significant positive influence between financial and non-financial compensation on the performance of employees of PT. Asuransi Jiwasraya (Persero).

2. Ramzan, et al. (2014)

A study conducted by Ramzan, et al. (2014) The title of the study are “Impact of Compensation on Employee Performance (Empirical Evidence from Banking Sector of Pakistan) “ This study collecting the data from different banks of southern Punjab. Approximately 45 banks were included to collect data. 200 Questionnaires were distributed among the full time working employees of banks and they were selected randomly. This study using Miller and Newman(2005) theory for Salary, Milkovich and Newman(1999) theory for Indirect Compensation and Hong Lu, Alison E. While, and K. Louise Barriball (2006) for Performance

The result of the study shows that compensation has positive impact on employee performance. It is proved from correlation analysis

that all the independent variables have weak or moderate positive relationship to each other.

3. Masea, I.N (2016)

A study conducted by Masea (2016) The title of the study is “Influence of Compensation Practices on Performance of Employees In the Saving and Credit Institutions In Nairobi City Country” The study respondents were human resource managers, assistance human resources officers and lower level human resources officers making a study population of 99 respondents working in the Human Resources Department in the SASRA SACCOs.(Societies Regulatory Authority Saving Credit and Cooperative societies)

The study indicated that equity-based compensation affects productivity at the SACCO to a very great extent. The results denoted that salary variation influence long-term employees productivity, an announcement of compensation signal about possible growth in the future for SACCOs performance and that pay equity greatly influence employee performance in regulated SACCOs. the findings also demonstrated that existence of a positive association between SACCOs performance and equity-based compensation program, positive SACCOs performance reaction at the announcement and issuance of the general equity-based compensation plan and salary dispersion being a

reasonable and composite measure of hourly pay equity influence employee performance.

4. Amrullah, A. (2012)

A study conducted by Amrullah (2012) The title of the study is “Pengaruh Kompensasi Finansial dan Kompensasi non Finansial Terhadap Kinerja Karyawan PT. Bank Rakyat Indonesia (Persero) TBK. Wilayah Makassar” This study using amounted of 44 respondents distributed to employees of PT. Bank Rakyat Indonesia (Persero) Tbk. Makassar Region. Which the theory of Financial Compensation and Non-Financial Compensation using Mondy et al., (1993:442-443) theory. For Employee Performance, the researcher using Syamsuddin and Yunus (2003:16) theory.

In this study, there are 3 variables. Financial compensation as the first independent variable (X1) and non-financial compensation as the second independent variable (X2). The last variable is Employee Performance as the dependent variable (Y1). The result of the study shows that financial compensation and non-financial compensation partially had a positive and significant effect on employee performance.

5. Siddiqi, T. & Tangem, S.(2018)

A study conducted by Siddiqi and Tangem (2012) The title of the study are “Impact of Work Environment, Compensation and Motivation on The Performance of Employees in The Insurance Companies of

Bangladesh” This study distributes total 180 questionnaires among these insurance companies in Bangladesh, out of which 150 were returned indicating a response rate of 83%.

In this study, there are 4 variables. Compensation as the first independent variable (X1), Motivation as the second independent variable (X2) and Work Environment as the third independent variable (X3). The last variable is Employee Performance as the dependent variable (Y1), The result of the study shows that compensation has a positive impact on employees performance, the work environment has a positive impact on employees performance and motivation has a positive impact on employees performance.

To retain the employees from switching as well as to elicit the best outcome from the employees, this study which is conducted on Bangladesh can be of immense importance as it resembles the cultural setting like many other Asian countries. Employee performance which depends on the attainment of the outcomes while keeping up with the strategic plans can only be enhanced with a positive attitude toward his work environment, satisfaction regarding compensation and motivation.

6. Rahmawati et al. (2014)

Rahmawati et al. (2014) in “Pengaruh Lingkungan Kerja Terhadap Kinerja Karyawan (Studi pada Karyawan Kantor Pelayanan Pajak Pratama Malang Utara)” The subject of samples in this research 79

employees Kantor Pelayanan Pajak Pratama Malang Utara. This research using Physical Work Environment (X1), Non-Physical Work Environment (X2) as independent variable and Employee Performance (Y) as independent variable.

The result shows that the influence of the physical work environment on employee performance is 24.7%. the influence of non-physical work environment on employee performance is 67.1%, so the non-physical work environment has a dominant influence on employee performance. Although both work environment physical and non-physical factor has a positive influence on employee performance.

7. Kisanti (2013)

Kistanti (2013) with the research title “Pengaruh Lingkungan Kerja dan Stres Kerja terhadap Kinerja Karyawan PT. Coca-Cola Amatil Indonesia Distributor Yogyakarta”. Based on these studies partially the work environment variable has a positive and significant effect on employee performance variables, while partially the work stress variable has a negative and significant effect on employee performance variables, and in the F test concluded that work environment variables and work stress have an influence on employee performance.

8. Nanzushi (2015)

Nanzushi (2015) in “The Effect of Workplace Environment on Employee Performance in The Mobile Telecommunication Firms in

Nairobi City County” Using sample size included a total of 164 employees. The descriptive research design was adopted for the study. A target population usually has varying characteristics e.g. different ages, different genders, varying education backgrounds etc. It’s thus the group about which the researcher wishes to draw his research conclusions from. The target population of this study was all employees of Safaricom Limited, Airtel Networks Kenya Limited and Telkom Kenya Limited (Orange) based at the headquarters.

The study found out that employees’ performance was influenced by several work environment factors. The researcher found out that employees were satisfied with their physical work environments aspects like furniture, spatial layouts, lighting and noise levels. These aspects of the physical work environment help improve employees’ performance.


9. Nadeem & Ahmed (2015)

Nadeem & Ahmed (2015) in “ Impact of Work Environment Factors on Employee Performance; Empirical Evidence from Manufacturing Industry of Lahore “ Employee Performance is dependent variable in this study and independent variables are a Physical work environment, supervisor support, employee willingness, and Job Aid. The population of the study is elected from the manufacturing sector of sunder industrial estate Lahore. Quantitative analysis with a sample of 352 respondents is performed using

correlation and regression analysis in order to test the research hypotheses.

The result shows that 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.

10. Wilson (2015)



Wilson (2015) in "Impact of Work Environment on Academic Staff Job Performance: Case of a Uganda University" was conducted to establish the impact of the prevalent work environment on academic staff job performance in Ugandan public universities, using Kyambogo University as a case. He found out that the prevalent work environment significantly affect the job performance of the academic staff of Kyambogo University

11. Saeed (2016)

Saeed (2016) in "The Impact of Job Satisfaction and Knowledge Sharing on Employee Performance". The results of this study indicate

that there is a significant effect of job satisfaction and knowledge sharing on the performance of employees in the oil and gas industry.

The existence of the variable equality of job satisfaction and employee performance. There are differences in the research variables, namely the existence of independent variables, namely knowledge management, and the work environment. In addition, there are also differences in the location of research objects.

12. Shaju & Subhasini (2017)

Shaju & Subhashini (2017) in "A Study of the Impact of Job Satisfaction on Job Performance for Employees in Automobile Industry, Punjab, India". The results showed a positive relationship between the dimensions of job satisfaction and the performance of employees at the supervisory level and workers working in the car industry.

The research equation is the variable of job satisfaction and employee performance. There are differences in the research variables, namely the existence of independent variables, namely knowledge management, and work environment.

13. Changgriawan (2017)

Changgriawan (2017) in "Pengaruh Kepurasan Kerja dan Motivasi Kerja Terhadap Kinerja Karyawan di One Way Production" is convenience sampling so that the number of respondents was 109 people in One Way Production. In this research he using three variables,

Job satisfaction (X1), Motivation (X2) as an independent variable and Employee Performance (Y) as a dependent variable. The results showed that job satisfaction has an effect on employee performance and motivation does not affect employee performance.

14. Akbar et al. (2007)

Akbar et al. (2007) in “Pengaruh Kepuasan Kerja Terhadap Komitmen Organisasional dan Kinerja Karyawan (Studi pada Karyawan Tetap PG Kebon Agung Malang) The population of research included 298 regular employees at PG Kebon Agung Malang. Sampling technique was proportional random sampling and the result was 75 respondents.

The result shows that Job Satisfaction variable (X) has a significant effect on Employee Performance variable (Y2) of 0.516. Because the path coefficient is positive, it can be said that the higher the Employee Job Satisfaction, the better the Employee Performance.

15. Awan & Asghar (2014)

Awan and Asghar (2014) examine the effect of job satisfaction on employee performance; study on the banking sector in Muzaffargarh District, Pakistan. Data were collected randomly from 150 employees from 10 bank branches in Pakistan. Descriptive statistics were applied to see the relationship between the two variables of job satisfaction and performance. The results of this study indicate that the relationship

between job satisfaction and package salaries, job security, and reward systems are positively correlated and job satisfaction has a direct and significant impact on employee performance.

16. Widyawati & Verawati (2016)

Widyawati & Verawati (2016) conducted a study entitled “Pengaruh Kompensasi Terhadap Kepuasan Kerja dan Kinerja Karyawan (Studi Pada PT. Kencana Arta Raya Denpasar)” this study using sampling method with using the census method from all employees of PT. Kencana Arta Raya Denpasar, amounting to 35 people. Using Compensation (X) as an independent variable, Job Satisfaction (Y1) and Employee Performance (Y2) as a dependent variable.

The result shows that Compensation has a positive influence and significant toward employee job satisfaction. Increased compensation can increase job satisfaction employees at PT. Kencana Arta Raya Denpasar.

17. Salisu (2015)

Salisu (2015) conducted a study entitled "The Impact of Compensation on the Job Satisfaction of the Public Sector Construction Workers of Jigawa State of Nigeria". The purpose of this research is to find out the impact of different compensation packages on employee job satisfaction. In this study using a questionnaire to collect data, a

total of 265 questionnaires were distributed. However, only 260 questionnaires were returned, indicating that there was a response of 98% of employees. Respondents were selected using random sampling techniques. The results of this study indicate that compensation has a positive effect on job satisfaction.

18. Mabaso and Dlamini (2017)

The research conducted by Mabaso and Dlamini (2017) entitled “Impact of Compensation and Benefits on Job Satisfaction” This study using 279 samples of academic staff, which was the total population of participants were selected for the study. This study using Compensation (X1) and Benefits (X2) as an independent variable. Job satisfaction (Y) as a dependent variable.

The result shows that Compensation has a positive and significant effect on job satisfaction. This hypothesis was supported, therefore indicating that compensation influences job satisfaction among academic staff.

19. Muguongo, et al. (2015)

Muguongo, et al.(2015) in their research entitled “Effects of Compensation on Job Satisfaction Among Secondary School Teachers in Maara Sub” Stratified random sampling was used to select a sample size of 214 teachers drawn from the target population of 474 among Secondary school teachers in Maara Sub- County Tharaka Nithi County

Kenya. The study established that the basic pay, allowances and work environment affects teachers' job satisfaction to a great extent. The research concluded that teachers were highly dissatisfied with all aspects of compensation that they receive.

20. Mensah, et al. (2017)

Mensah, et al. (2017) in their research entitled "Effect of Compensation on Basic School Teachers' Job Satisfaction in the Northern Zone: The Case of Ghana" study was motivated by the desire to find out about teacher perception of compensation and whether compensation affects teacher job satisfaction at the basic level since they laid the foundation for the future leaders of a country, which means that their ability to give off their best went a long way to affecting the caliber of persons that are brought up in our society. A convenience sampling procedure was used to select 100 basic school teachers for the study. They found out that compensation was significantly and positively predict Teachers' job satisfaction.

21. Yunanda (2013)

Yunanda (2013) in "Pengaruh Lingkungan Kerja Terhadap Kepuasan Kerja dan Kinerja Karyawan (Studi Pada Perum Jasa Tirta I Malang Bagian Laboratorium Kualitas Air)". Based on the research, it shows that there is a significant influence between work environment variables on the performance variables on the employees of Jasa Tirta I

Public Company, then the results of subsequent studies indicate a significant influence between the variable job satisfaction and employee performance variables. In addition, the results of these studies indicate a significant influence between work environment variables on the variable job satisfaction for employees.

The results of the study also showed an indirect influence between work environment variables on performance variables through the variable job satisfaction. The equation with this study is to use the work environment as an independent variable and performance as the dependent variable. And using job satisfaction as a mediating variable and using a quantitative approach. While the difference is this researcher uses work series as an independent variable.

22. Raziq & Maulabakhs (2015)

Raziq & Maulabakhs (2015) in "Impact of Working Environment on Job Satisfaction ". This study analyzes the impact work environment towards employee job satisfaction from several respondents are educational institutions, banking and industrial sectors telecommunications operating in the city of Quetta, Pakistan. The results show a positive relationship between the work environment and employee job satisfaction.

The equation with this study is the existence of environmental variables work and job satisfaction. The difference is that there are other variables used in this study namely knowledge management as independent variable and employee performance as the dependent variable.

23. Agbozo, et. Al (2017)

Agbozo, et. Al (2017) in "The Effect of Work Environment on Job Satisfaction: Evidence from the Banking Sector in Ghana". The research findings show that the majority of staff in banks are satisfied with their work environment, especially the physical atmosphere. The results conclude that the environment has a significant influence on employee satisfaction. Equations with research on work environment variables and job satisfaction. The difference is that there are other variables, namely knowledge management and employee performance.

24. Lukiyana & Halima (2016)

Lukiyana & Halima (2016) conducted a study with the title "Pengaruh Kompensasi dan Lingkungan Kerja terhadap Kinerja Karyawan yang diintervening oleh Kepuasan kerja pada PT. Pacific Metro." The total population of respondents was 100 employees but 80 were respondents to the study. The taking method uses qualitative and quantitative analysis.

The results of this study indicate that Compensation and the work environment have a partial or simultaneous effect on employee performance and the results of the intervening tests that have been done show that job satisfaction can absolutely mediate between the effect of compensation and the work environment on employee performance.

25. Sari (2009)

According to Sari (2009) in her research entitled “Pengaruh Kompensasi dan Iklim Organisasi terhadap Kepuasan Kerja” This research focuses on job satisfaction from two different perspectives i.e. compensation and organizational climate. This research analyzes the correlation relationship between compensation and organizational climate as a factor that provides employee's job satisfaction at British International School. She found out that relationship between compensation received by employees and the organizational climate together shows very strong and positive relationship to satisfaction work.

26. Sopiah (2013)

Sopiah (2013) on her research entitled “The Effect of Compensation toward Job Satisfaction and Job Performance of Outsourcing Employees of Syariah Banks in Malang Indonesia”, with a population size of 436 and a level of inaccuracy allowance of 5% then the number of samples of 141 people employees of Syariah banks in

Malang. She found that there is a significant positive effect of financial compensation and non-financial compensation on work performance through job satisfaction.

27. Darma and Supriyanto (2017)

Darma and Supriyanto (2017) in their research entitled “The Effect Of Compensation On Satisfaction And Employee Performance”, using population employees of PT. Telekomunikasi Indonesia, Tbk Witel Kediri which amounted to 70 people. This study uses saturation sampling technique, where all members of population are taken as sample. Statistic test results show that employee satisfaction mediates the effect of compensation on employee performance at PT. Telekomunikasi Indonesia. This can be known from Sobel test of 6.953. The test results show that t value of statistic > 1.96 .

28. Baledi and Saeed (2017)

Baledi and Saeed (2017) on their research entitled “The Impact Of Compensation On Improving Employees Performance Through Job Satisfaction In Jordanian Newspaper”, using population consists of all editors, deputy editors-in-chief, and heads of departments and employees who perform their functions in the Jordanian main newspaper. The results showed that the compensation effect the

employees performance and job satisfaction directly, they also found that the compensation effect the employees through job satisfaction is positive so the job satisfaction plays the role of mediator between compensation and employees performance in Jordanian newspaper.

29. Setyorini, et al.(2018)

Setyorini, et al.(2018) on their research entitled “The Effect of Situational Leadership Style and Compensation to Employee Performance with Job Satisfaction as Intervening Variable at PT Bank Rakyat Indonesia (Persero), Tbk Denpasar Branch” was conducted at PT Bank Rakyat Indonesia Denpasar Branch Office with population and sample of all employees working at PT Bank Rakyat Indonesia (Persero) Tbk Denpasar Branch Office, which are 64 people. They found out that compensation impact positive and significant effect on employee performance through job satisfaction.

30. Renwarin & Abadi (2017)

Renwarin & Abadi (2017) in their research entitled “Analysis on the Influence of Compensation and Leadership on Job Satisfaction and its Effect on Job Performance” using population and sample of this research are 84 managers at Nusantara Bonded Area in Jakarta who are demanded to be in the middle position between employees and employers. The results of this research show that compensation and job

satisfaction significantly influence job performance. The results also show that there is an indirect positive effect that job satisfaction mediates compensation toward employee performance.

31. Chaudry et al. (2011)

The research conducted by Chaudry et al (2011) was titled "Exploring the Relationship between Salary Satisfaction and Job Satisfaction: A Comparison of Public and Private Sector Organizations". This study aims to analyze the impact of salary satisfaction on work engagement, work inspiration, employee performance on job satisfaction in public sector organizations and the private sector. Data collection uses questionnaires distributed, a total of 400 questionnaires. However, only 346 questionnaire responses were returned, 170 responses from the public sector and 176 from the private sector. The results show that the value of the salary satisfaction of the public organization sector is slightly higher than the private sector. The results also show a positive relationship between compensation and employee job satisfaction. Employee job satisfaction is created because it is supported by compensation itself, salary satisfaction, work involvement, work inspiration which ultimately impacts on increasing employee performance.

32. Juliarti et.al. (2018)

The research conducted by Juliarti et.al. (2018) entitled “Effect of Compensation and Work Environment on Employee Performance with Employee Job Satisfaction as an Intervening Variable” This study examines the effect of compensation and work environment on employee performance with job satisfaction to be intervening variable. Data on compensation, work environment, job satisfaction, and employee performance obtained through observation, record keeping and questioner with respondents.

The result shows that compensation has a positive and significant effect on employee job satisfaction on PT. PAG. Findings suggest that the compensation that was developed at the PT. PAG by prioritizing activities and supported compensation of material and social compensation can improve employee job satisfaction is reflected in the aspect of promotion opportunities, supervision, co-workers, and the work itself. The result also shows that compensation has a positive and significant effect on employee performance through employee job satisfaction as an intervening variable.

33. Nugrahaningsih & Julaela (2017)

Nugrahaningsih & Julaela (2017) in “Pengaruh Disiplin Kerja dan Lingkungan Kerja terhadap Kinerja Karyawan dengan Kepuasan Kerja Sebagai Variabel Intervening pada PT. Tempura Mas” which aims to find out about the influence of the work environment on employee

performance with job satisfaction as an intervening variable. The total population of respondents studied was 100 employees of PT. Tempura Mas, but it was taken as a total of 80 employees. The sampling method is random sampling. The research was conducted in several stages; explore the theory of literature with descriptive statistics, test the feasibility of the data with tests of validity and reliability, and test hypotheses with the t-test and test f. The results of this study indicate that job satisfaction interventions can increase the influence of the work environment on employee performance.

34. Sukdeo (2014)

Sukdeo (2014) in “The effect of the working environment on employee satisfaction and productivity: a case study in a clothing manufacturing factory “ using simple random sampling to select employees from middle and lower levels within the clothing manufacturing factory. A total of 236 questionnaires were distributed and 212 valid responses were collected. She found that there is indeed a strong correlation between employee satisfaction and productivity on organisational performance. It was found that the determinants of the working environment have a significant impact on employee satisfaction which also affects organizational performance.

35. Ashraf, et al.(2013)

Ashraf et al. (2013) suggested that there is a relationship between work environment and organizational performance and job satisfaction as a mediating role in the textile sector in Faisalabad, Pakistan. Data was obtained through employees and managers in the textile industry as many as 170 respondents. The results of this study can be implemented in various ways in the Pakistan textile sector organization. They found that the variables show a positive relationship, employee job satisfaction has a direct relationship between work environment and organizational performance.

Base on the research results that have been reviewed in this chapter, 35 previous studies that were referred for writing this research by setting compensation and work environment as independent variables, job satisfaction as an intervening variable, and employee performance as dependent variables. The authors add an information about the study of compensation, work environment toward employee performance through job satisfaction as an intervening variable. The difference with previous studies is that this study took the object of Madukismo sugar & spirits factory workers as the object of research.

Table 2.1

Previous Journal Table

NO	Journal Identity	Variable and Theory	Result
1	Pratama, S.A., Hakam, M.S.,&	Compensation Martoyo (2000)	The results show that there is a significant positive influence

	<p>Nurtjahjono,G.E.(2015)</p> <p>Pengaruh Kompensasi Terhadap Kinerja Karyawan (Studi pada karyawan PT. Asuransi Jiwasraya persero regional office Malang)</p> <p>Jurnal Administrasi Bisnis (JAB) Vol. 25 No. 1 Agustus 2015 </p>	<p>Employee performance</p> <p>Mangkunegara (2000)</p>	<p>between financial and non-financial compensation on the performance of employees of PT. Asuransi Jiwasraya (Persero).</p>
2	<p>Ramzan, M., Zubair, H.M.K.,Ali, G., & Arslan, M. (2014)</p> <p>Impact of Compensation on Employee Performance (Empirical Evidence from Banking Sector of Pakistan)</p> <p><i>International Journal of Business and Social Science Vol. 5 No. 2; February 2014</i></p>	<p>Salary</p> <p>Millvier and Newman(2005)</p> <p>Incentive and Rewards</p> <p>Indirect Compensation</p> <p>Milkovich and Newman(1999)</p> <p>Performance</p> <p>Hong Lu, Alison E. While, and K. Louise Barriball (2006)</p>	<p>Compensation has positive impact on employee performance. It is proved from correlation analysis that all the independent variables have weak or moderate positive relationship to each other.</p>
3	<p>Masea, I.N(2016)</p> <p>INFLUENCE OF COMPENSATION PRACTICES ON PERFORMANCE OF EMPLOYEES IN THE SAVING AND CREDIT INSTITUTIONS IN NAIROBI CITY COUNTY</p>	<p>Compensation</p> <p>Noe (2003)</p> <p>Performance</p> <p>(Friy, 1998)</p>	<p>The study indicated that equity-based compensation affect productivity at the SACCO to a very great extent. The results denoted that salary variation influence long-term employees productivity, announcement of compensation signal about possible growth in future for SACCOs performance and that pay equity greatly influence employee performance in regulated SACCOs.</p>
4	<p>Amrullah, A. (2012)</p> <p>PENGARUH KOMPENSASI FINANSIAL DAN NONFINANSIAL TERHADAP KINERJA KARYAWAN PT. BANK RAKYAT INDONESIA (PERSERO) TBK.</p>	<p>Financial Compensation</p> <p>Mondy <i>et al.</i>, (1993:442-443)</p> <p>Non Financial Compensation</p> <p>Mondy <i>et al.</i>, (1993:442-443)</p> <p>Employee Performance</p> <p>Syamsuddin dan Yunus (2003:16)</p>	<p>That financial compensation and non-financial compensation partially had a positive and significant effect on employee performance</p>


	WILAYAH MAKASSAR		
5	<p>Siddiqi, T. & Tangem, S.(2018)</p> <p>IMPACT OF WORK ENVIRONMENT, COMPENSATION AND MOTIVATION ON THE PERFORMANCE OF EMPLOYEES IN THE INSURANCE COMPANIES OF BANGLADESH</p> <p>South East Asia Journal of Contemporary Business, Economics and Law, Vol. 15, Issue 5(April) ISSN 2289-1560</p>	<p>Motivation Robbins (2005)</p> <p>Work Environment Wallace and Trinkka (2009)</p> <p>Compensation Kleiman (2005)</p> <p>Performance Rivai(2004)</p>	<ul style="list-style-type: none"> • compensation has a positive impact on employees performance • work environment has a positive impact on employees performance • motivation has a positive impact on employees performance.
6	<p>Rahmawati, N.P.,Swasto, Bambang & Prasetya, Arik.(2014)</p> <p>Pengaruh Lingkungan Kerja Terhadap Kinerja Karyawan (Studi pada Karyawan Kantor Pelayanan Pajak Pratama Malang Utara)</p> <p>Jurnal Administrasi Bisnis (JAB) Vol. 8 No. 2 Maret 2014</p>	<p>Physical Work Environment Sedarmayanti (2009)</p> <p>Non Physical Work Environment Sedarmayanti (2009)</p> <p>Performance Mangkunegara (2009)</p>	<p>The influence of the physical work environment on employee performance is 24.7%. the influence of non-physical work environment on employee performance is 67.1%, so the non-physical work environment has a dominant influence on employee performance. Although both work environment physical and non-physical factor has a positive influence on employee performance</p>
7	<p>Kisanti, Ika.W (2013)</p> <p>“Pengaruh Lingkungan Kerja dan Stres Kerja terhadap Kinerja Karyawan PT. Coca-Cola Amatil Indonesia Distributor Yogyakarta”.</p>	<p>Work Environment Sedarmayanti (2009)</p> <p>Work Stress Luthas (2011)</p> <p>Job Satisfaction Luthans (2011)</p> <p>Employee Performance Mathis & Jackson (2002)</p>	<p>Work environment variable has a positive and significant effect on employee performance variables</p>
8	<p>Nugrahaningsih, H. & Julaela (2017)</p> <p>Pengaruh Disiplin Kerja dan Lingkungan Kerja terhadap Kinerja Karyawan dengan</p>	<p>Work Environment (Nitisemito, 2011)</p> <p>Performance (Siagian, 2012)</p> <p>Job Satisfaction (Handoko, 2012)</p>	<p>Work Environment has a positive effect on Performance through Job satisfaction as a moderating variable</p>

	<p>Kepuasan Kerja Sebagai Variabel Intervening pada PT. Tempura Mas</p> <p>Media Manajemen Jasa 4(1) 61-76 (2017)</p>		
9	<p>Nanzushi, Cynthia (2015)</p> <p>The Effect of Workplace Environment on Employee Performance in The Mobile Telecommunication Firms in Nairobi City County</p>	<p>Physical Work Environment Chandrasekar (2011) Employee Performance</p>	<p>The study found out that employees' performance was influenced by several work environment factors. The researcher found out that employees were satisfied with their physical work environment aspects like furniture, spatial layouts, lighting and noise levels.</p>
10	<p>Nadeem, K. & Ahmad,A. (2017)</p> <p>Impact of Work Environment Factors on Employee Performance; Empirical Evidence from Manufacturing Industry of Lahore</p> <p>Journal of Managerial Sciences Volume XI Number 03 p.421-436</p>	<p>Employee Performance (Vischer, 2007) Physical work environment Brill et al. (1985) Supervisor support Employee willingness Job Aid</p>	<p>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's. Also Work environment and employee performance shows positive relationship.</p>
11	<p>Saeed (2016)</p> <p>"The Impact of Job Satisfaction and Knowledge Sharing on Employee Performance". <i>Journal of Resources Development and Management</i> Vol.21: 16-23.</p>	<p>Job Satisfaction (Hackman and Oldham, 1974) Knowledge Sharing (Becerra-Fernandez and Sabherwal, 2014) Employee performance (Bernadin, 2002)</p>	<p>The results of this study indicate that there is a significant positive influence from job satisfaction and knowledge sharing toward job satisfaction employees in the oil and gas industry.</p>
12	<p>Shaju & Subhashini (2017)</p> <p>"A study on the impact of Job Satisfaction on Job Performance of Employees working in Automobile Industry, Punjab, India".</p>	<p>Job Satisfaction (Luthans, 1985) Employee performance (Shaju & Subhashini, 2017)</p>	<p>The results of the study show there is a positive relationship between dimensions of job satisfaction and employee performance at the supervisory level and workers working in the car industry.</p>
13	<p>Changgriawan (2017)</p> <p>Pengaruh Kepuasan Kerja dan Motivasi Kerja</p>	<p>Job Satisfaction Luthans (2007) Performance Robbins (2006)</p>	<p>From the results of testing and analysis that has been done, it can be seen that the job satisfaction independent</p>

	Terhadap Kinerja Karyawan di One Way Production. AGORA Vol. 5, No. 3, (2017)	Motivation George & Jones (2005)	variables used affect the performance of employees.
14	Akbar, Hamid & Djudi (2007) Pengaruh Kepuasan Kerja Terhadap Komitmen Organisasional dan Kinerja Karyawan (Studi pada Karyawan Tetap PG Kebon Agung Malang)	Job Satisfaction Mangkunegara (2009:120) Organizational Commitment Luthans (2005: 249) Employee Performance Mangkuprawira (2007:155-156)	There is a positive and significant influence between Job Satisfaction on Employee Performance.
15	Awan & Asghar (2014) Impact of Employee Job Satisfaction on Their Performance: A Case Study of Banking Sector in Muzaffargarh District. Pakistan Global Journal of HRM 2(4) 71-94 (2014)	Brown (1996) Peiro (1999) Hunter & Hunter (1984)	The relationship between job satisfaction and salary packages, job security and reward systems is positively correlated and job satisfaction has a direct and significant impact on employee performance.
16	Widyawati & Verawati (2016) Pengaruh Kompensasi Terhadap Kepuasan Kerja dan Kinerja Karyawan (Studi Pada PT. Kencana Arta Raya Denpasar). <i>JURNAL PERTANIAN BERBASIS KESEIMBANGAN EKOSISTEM</i>	Compensation Mondy (2008: 5) Job satisfaction Robbins (2003:78) Performance Mathis dan Jacson (2011:378)	Compensation has a Positive influence and significant towards employee job satisfaction. Increased compensation can increase job satisfaction employees at PT. Kencana Arta Raya Denpasar.
17	Salisu, J.B (2015) "The Impact of Compensation on the Job Satisfaction of the Public Sector Construction Workers of Jigawa State of Nigeria"	Compensation (Martocchio, 2011) Job Satisfaction (Spector, 1997)	The results of this study indicate that compensation has a positive effect on job satisfaction.
18	Chaudry,M.S.,Sabir,H.M., Rafi,N.,&Kalyar,N.M. (2011)	Salary Satisfaction Sharma and Bajpai (2011). Job Satisfaction	The results shows a positive relationship between compensation and employee job satisfaction. Employee job

	"Exploring the Relationship between Salary Satisfaction and Job Satisfaction: A Comparison of Public and Private Sector Organizations". <i>The Journal of Commerce</i> . Vol.3, No. 4.	The model of Cammann, Fichman, Jenkins and Klesh (1979)	satisfaction is created because it is supported by compensation itself, salary satisfaction, work involvement, work inspiration which ultimately impacts on increasing employee performance.
19	Juliarti,P.A.D., Agung,A.P.A., & Sudja,I.N. (2018) Effect of Compensation and Work Environment on Employee Performance with Employee Job Satisfaction as an Intervening Variable	Compensation Michael and Harold (2002: 114) Work Environment Sedarmayanti (2009) Employee Performance McNeese-Smith (1996) Job Satisfaction Luthans (2006: 431)	Compensation has positive and significant effect on employee job satisfaction on PT. PAG.
20	Mabaso,C.M and Dlamini,B.I(2017) Impact of Compensation and Benefits on Job Satisfaction. Research Journal of Bussiness Management	Compensation Swanepoel(2014) Benefits Brattonand Gold(2007) Job Satisfaction Onukwube(2012)	Compensation has a positive and significant effect on job satisfaction. This hypothesis was supported, therefore indicating that compensation influences job satisfaction among academic staff.
21	Yunanda, M.A (2012) Pengaruh Lingkungan Kerja Terhadap Kepuasan Kerja dan Kinerja Karyawan (Studi Pada Perum Jasa Tirta I Malang Bagian Laboratorium Kualitas Air	Work Environment Sedarmayanti (2011) Job Satisfaction Wibowo (2009:326) Employee Performance Simamora (2003)	The results of this study indicate a significant positive influence between work environment variables on employee satisfaction variables on employees.
22	Raziq & Maulabakhs (2015): "Impact of Working Environment on Job Satisfaction". <i>Procedia Economics and Finance</i> 23: 717 – 725	Work Environment (Spector, 1997) Job Satisfaction (Sell & Cleal, 2011)	The results indicate the existence positive relationship between work environment and satisfaction employee work. This study conclude that business needs realize the importance of the environment good work for maximize the level of satisfaction work.
23	Agbozo <i>et.al</i> (2017): "The Effect of Work Environment on Job Satisfaction: Evidence	Work Environment (Leshabari <i>et.al</i> , 2008). Job Satisfaction (Robbins, 2003)	Research findings show that most of the staff are in the bank feel satisfied with the environment their work is

	from the Banking Sector in Ghana". <i>Journal of Human Resource Management</i> Vol 5(1): 12-18.		mainly the atmosphere physical. The results conclude that environment has influence significant satisfaction employee.
24	Lukiyana & Halima (2016) " Pengaruh Kompensasi dan Lingkungan Kerja terhadap Kinerja Karyawan yang diintervening oleh Kepuasan kerja pada PT. Pacific Metro."	Employee Performance Bernardin dan Russel (dalam Keban, 2004 : 192) Job Satisfaction Compensation Work Environment	The results of testing the fifth hypothesis found empirical evidence that the job satisfaction variable mediates absolutely the influence of the work environment on employee performance. Based on this evidence, it can be concluded that the fifth hypothesis is accepted. This shows that employee job satisfaction can improve employee performance, through company support by creating a work environment that is quite comfortable for employees.
25	Sukdeo (2014) The effect of the working environment on employee satisfaction and productivity: a case study in a clothing manufacturing factory	Working Conditions (Vischer, 2008) Employee performance	there is indeed a strong correlation between employee satisfaction and productivity on organisational performance. It was found that the determinants of the working environment have a significant impact on employee satisfaction.
26	Kasule George Wilson (2015) Impact of Work Environment on Academic Staff Job Performance: Case of a Uganda University International Journal of Advances in Management and Economics	Work Environment Chandrasekar (2011) Employee Performance	work environment significantly affect the job performance
27	Elviera Sari Pengaruh Kompensasi dan Iklim Organisasi terhadap Kepuasan Kerja Jurnal Ilmu Administrasi dan Organisasi	Compensation Igalens (1999) Organizational Climate Litwin and Stringer (1976) Job Satisfaction Spector (1997)	Relationship between compensation received by employees and the organizational climate together shows very strong and positive relationship to satisfaction work.
28	Prayoga Setia Darma	Compensation	Employee satisfaction mediate

	<p>Achmad & Sani Supriyanto</p> <p>The Effect Of Compensation On Satisfaction And Employee Performance</p> <p>Management and Economics Journal</p>	<p>Simamora (2016) Satisfaction Rivai (2006) Performance Sani and Maharani (2013)</p>	<p>the effect of compensation on employee performance at PT. Telekomunikasi Indonesia.</p>
29	<p>Sopiah</p> <p>The Effect of Compensation toward Job Satisfaction and Job Performance of Outsourcing Employees of Syariah Banks in Malang Indonesia</p> <p>International Journal of Learning & Development</p>	<p>Compensation Simamora (2004) Job Satisfaction Hasibuan (2003) Job Performance</p> 	<p>(1) There is a significant positive financial compensation directly to employees' performance (2) There is a significant positive financial compensation to performance through job satisfaction (3) There is a significant positive effect on the performance of nonfinancial compensation of employees directly (4) There is a significant positive effect of nonfinancial compensation to employees' performance through job satisfaction (5) The function of intervening variables (satisfaction) amplifies the effect of compensation on employee performance.</p>
30	<p>M. Baledi & R. Saeed</p> <p>The Impact Of Compensation On Improving Employees Performance Through Job Satisfaction In Jordanian Newspaper</p>	<p>Compensation Dessler(2011) Employee Performance Bhatti and Qureshi (2007) Job Satisfaction As'ad (2008)</p>	<p>found the effect of compensation effect the employees through job satisfaction is positive so the job satisfaction play the role of mediator between compensation and employees performance in Jordanian newspaper.</p>
31	<p>Mary Makena Muguongo, Andrew T. Muguna, & Dennis K. Muriithi</p> <p>Effects of Compensation on Job Satisfaction Among Secondary School</p>	<p>Compensation Armstrong (2006) Job Satisfaction Armstrong (2006)</p>	<p>The study concludes that the allowances such as houseallowance and hardship allowance that the teachers received affect their job satisfaction.</p>

	Teachers in Maara Sub - County of Tharaka Nithi County, Kenya Journal of Human Resource Management		
32	Josephine Pepra-Mensah , Luther NtimAdjei & Albert Agyei Effect of Compensation on Basic School Teachers' Job Satisfaction in the Northern Zone: The Case of Ghana Global Journal of Management and Business Research: G Interdisciplinary	Compensation Dessler (2013) Job Satisfaction Parvin&Kabir (2011)	Compensation was found to significantly and positively predict Teachers' job satisfaction.
33	Ashraf,Muhammad Shakoor The Impact of Working Environment on Organization Performance : A Mediating Role Employee's Job Satisfaction	Working Environment Performance Job Satisfaction	The results of all variables show a positive relationship with all. Employee job satisfaction has a direct relationship between work environment and organizational performance.
34	RR. Wahyu Setyorini, AnikYuesti, & Nengah Landra The Effect of Situational Leadership Style and Compensation to Employee Performance with Job Satisfaction as Intervening Variable at PT Bank Rakyat Indonesia (Persero), Tbk Denpasar Branch International Journal of Contemporary Research and Review	Leadership Style Sedarmayanti (2011) Compensation Simamora (2004) Employee Performance Notoatmodjo (2004) Job Satisfaction Robbins (2001)	Job satisfaction is able to mediate positively on the indirect effect of compensation on employee performance .
35	Renwarin J & Abadi F Analysis on the Influence	Compensation Schuler and Suzan (1999) Leadership	Compensation variable significantly influences job satisfaction.

	of Compensation and Leadership on Job Satisfaction and its Effect on Job Performance International Conference of Organizational Innovation	Greenberg and Baron (2000) Job Performance Dessler (2013) Job Satisfaction Yukl (1998)	Compensation variable significantly influences job performance. Job satisfaction variable significantly influences job performance.
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2.3 The Relationship among Variables and Hypotheses

2.3.1 The relationship of Compensation toward Job Satisfaction

According to 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. According to Salisu (2015), the results of her study indicate that compensation has a positive effect on job satisfaction. According to Chaudry, et al (2011) they found out that there is a positive relationship between compensation and employee job satisfaction. According to Juliarti, et al(2018) compensation has a positive and significant effect on employee job satisfaction on PT. PAG. According to Mabaso & Dlamini (2017) compensation has a positive and significant effect on job satisfaction.

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

2.3.2 The Relationship of Work Environment toward Job Satisfaction

According to Yunanda (2013), her study indicates a significant positive influence between work environment variables on employee satisfaction variables on employees. According to Raziq & Maulabakhs (2015), the results of their study indicate the existence positive relationship between work environment and satisfaction employee work. According to Agbozo et al. (2017), They found out that most of the staff in the bank feel satisfied with the environment their work is mainly the atmosphere physical. 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.

H₂: There is a positive influence of work environment toward employee satisfaction

2.3.3 The Relationship of Job Satisfaction toward Employee Performance

According to Changriawan (2017), his study shows the results of testing and analysis that has been done, it can be seen that the job affect the performance of employees. According to Shaju & Subhashini (2017), their study shows there is a positive relationship between dimensions of job satisfaction and employee performance at the supervisory level and

workers working in the car industry. According to Saeed (2016), the results of his study indicate that there is a significant positive influence from job satisfaction and knowledge sharing toward job satisfaction employees in the oil and gas industry. According to Akbar et al (2007), there is a positive and significant influence between Job Satisfaction on Employee Performance. According to 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.

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

2.3.4 The Relationship of Compensation toward Employee Performance

According to 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). According to Ramzan Et al. (2014) Compensation has a positive impact on employee performance. According to Amrullah (2012), he found that financial compensation and non-financial compensation partially had a positive and significant effect on employee performance. According to Masea (2016), The study indicated that equity-based compensation affects productivity at the SACCO to a very great extent.

According to Siddiqi & Tangem (2018), They found out that compensation has a positive impact on employees performance.

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

2.3.5 The Relationship of Work Environment toward Employee Performance

According to 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. According to Nugrahaningsih & Julaela (2017) work environment has a positive effect on Performance through Job satisfaction as a moderating variable. According to 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.

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

2.3.6 The Relationship of Compensation toward Employee Performance through Job satisfaction

According to Sopiah (2013), there is a significant positive financial compensation to performance through job satisfaction. 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. Setyorini, et al. (2018) found out that compensation impact positive and significant effect on employee performance through job satisfaction. Renwarin & Abadi (2017) research show 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.

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

2.3.7 The Relationship of Work Environment toward Employee Performance through Job satisfaction

According to 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). Work environment has a positive and significant effect on the performance through job satisfaction in the PT. PAG (Juliarti, et al., 2018). According to Chaudhry, et al. (2017) they found that employee involvement and satisfaction play a mediating role between work environment, training & development and organizational performance. Ashraf et al. (2013) also suggest 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.

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



2.4 Research Framework

This study consists of compensation (X1) and work environment (X2) as independent variable, job satisfaction (Y) as the intervening variable while the employee performance as the dependent variable (Z). As for the relationship between variables can be seen as follows:

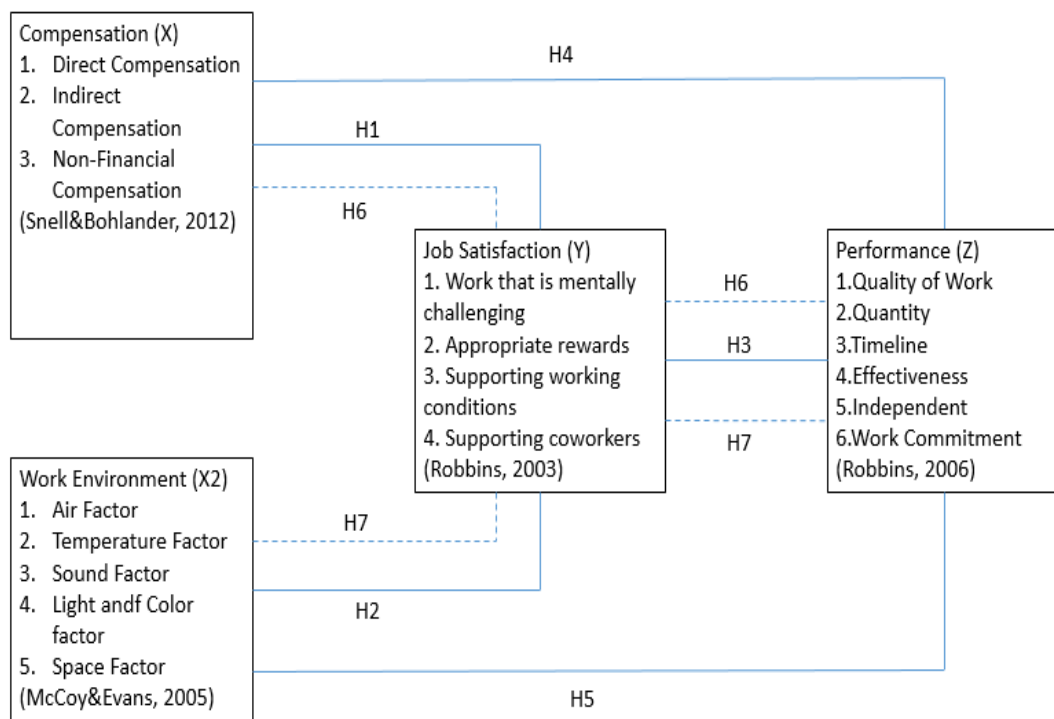


Figure 2.1 Research Framework

From the figure 2.1 there are 7 hypotheses can be seen. First, the connecting line shows that there is a direct influence between one variable and another variable, whereas for the dotted line shows the influence of independent variable to the dependent variable through the intervening variable. Therefore, it can be concluded that there are 7 hypotheses that will be tested in this thesis:

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

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

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

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

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

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

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



CHAPTER III

RESEARCH METHODOLOGY

3. Research Methodology

This chapter describes the study methods, procedures and company information. This chapter presents the techniques used for data collection and research methodology. In addition, it includes a discussion of the techniques used in data analysis and the tools used to acquire the data required.

3.1 Approach to Research

This research will use Quantitative approach because the survey and experiment design will be used in this study. Survey design provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. From sample results, the researcher generalizes or makes claims about the population. The basic intent of an experimental design is to test the impact of a treatment (or an intervention) on an outcome, controlling for all other factors that might influence that outcome. (Creswell, 2012) Then, the questionnaires will fit in this study as a data collection method to obtain the data.

3.2 Research Site

This research will take place in PT. Madubaru PG-PS Madukismo which is located in Padokan Village, Tirtonirmolo Subdistrict, Kasihan Subdistrict, Bantul Regency, Special Province of Yogyakarta 55181 Indonesia.

3.3 Company Information

3.3.1 Vision of The Company

Vision of PT. Madubaru is to become a leading agro-industry company in Indonesia with farmers as true partners.

3.3.2 Mission of The Company

Mission of PT. Madubaru are:

- a) Producing quality sugar and ethanol to meet the demands of society and industry in Indonesia.
- b) Produce products by utilizing advanced technology that is environmentally friendly, managed professionally and innovatively, providing excellent service to customers and prioritizing farmer partnerships.
- c) Develop new products / businesses that support the core business.
- d) Placing employees and other stakeholders as the most important part of the process of creating corporate excellence and achieving share holder values.

3.3.3 Organizational Structure



Figure 3.1 Organizational Structure

3.3.4 Employees System

a) Permanent employees

This type of employee is divided into 2, namely leadership employees who have individual work agreements, as well as executive employees who constitute employees with collective employment agreements.

b) Non-permanent employees

Non-permanent employees are divided into 2 groups, namely groups of certain time contract employee (CTCE) and bulk employees. CTCE employees are employees who are works only on the production period, which consists of employees on duty as operator and manual labor. CTCE is divided into 2 groups, namely CTCE inside factories and outside factories. CTCE inside factories is directly related to the production, installation, and manufacturing processes of spirits, CTCE outside the

factory is related to plants, raw materials, transportation, administration and security guards. While bulk employees is an employee who works only if needed by the factory such as cleaning service.

3.4 Data Collection Method

In this study, the technique used to collect data is by using a questionnaire. According to Sugiyono (2014), the questionnaire is a technique of data collection carried out by giving a set of statements or written questions to the respondent to answer. The answers provided in each question or statement use a Likert scale. According to Sugiyono (2014) Likert Scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena. For each question in this study provided 5 (five) alternative answers with scores:

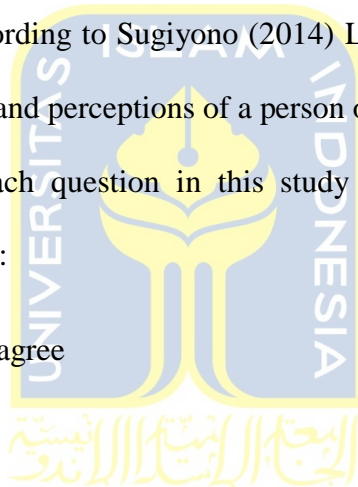
1 = Strongly disagree

2 = Disagree

3 = Doubt / Neutral

4 = Agree

5 = Strongly agree



3.5 Population and Sample

The population for this study is the employee in PT Madubaru PG-PS Madukismo which is located in Padokan Village, Tirtonirmolo Subdistrict, Kasihan Subdistrict, Bantul Regency, Special Province of Yogyakarta. The sampling frame for this study comprised of the permanent employee within

the PT. Madubaru PG-PS Madukismo. The sample was 50 respondents distributed to all department. For the sampling, the author used a purposive sampling technique. According to Sekaran (2003), purposive sampling is confined to specific types of people who can provide the desired information.

3.6 Research Variable

A variable refers to a characteristics or attribute of an individual or an organization that can be measured or observed and that varies among the people or organization being studied (Creswell, 2009). Variable in this research are :

1. Independent Variable

According to Creswell (2009), Independent variables are those that (probably) cause, influence, or affect outcomes. The independent variables in this study consist of Compensation (X1) and Work Environment (X2).

2. Dependent Variable

According to Creswell (2009), Dependent variables are those that depend on the independent variables; they are the outcomes or results of the influence of the independent variables. The dependent variable in this study consist of Employee Performance (Z)

3. Intervening Variable

According to Creswell (2009), intervening variable stand between the independent and dependent variables, and they mediate the effects of

the independent variable on the dependent variable. The intervening variable in this study consist of Job Satisfaction (Y)

3.7 Operational Definition

3.7.1 Compensation (X1)

Compensation as independent variable referred to Snell & Bohlander (2012) study as a measurement. From the indicator of direct compensation includes salaries, incentives, bonuses, and commissions for employees. Indirect compensation includes the multiple benefits provided by employers. Non-financial compensation includes recognition programs for employees, rewarding jobs, organizational support, working conditions and flexible working hours to meet personal needs. From the indicator, there was 10 item of statements elaborated to put in the questionnaire. Measurement ranged from a scale of 1 to 5 where 1 = strongly disagree and 5 = strongly agree. The 10 statements are :

- I feel the company has been fair in providing compensation
- I feel the company is on time to pay or pay
- I am satisfied with the additional compensation beyond salary and wages
- I am satisfied with giving a "reward" for additional work
- I am satisfied with the provision of health insurance from agencies/companies
- I am satisfied with the provision of counseling for employees

- I am satisfied with the provision of holidays for employees/employees borne by the company
- I feel that the facilities provided by the company support employee operations
- I feel that companies give awards for the work performance of employees.
- I feel that there are comfort and security at work.

3.7.2 Work Environment (X2)

Work environment as independent variable referred to McCoy & Evans (2005) study as a measurement. Air components, temperature factor, sound factor, light and color factor, and space factor. Air components such as carbon monoxide and unpleasant odors can have an impact on performance. Temperature factor, meaning that temperatures affect performance in the working environment. The sound factor that produces noise or disruptive sounds affects performance. Light and color factors include sunlight, light, windows and working environment views. Space structuring factor for a good working space affects good performance. From the indicator, there was 9 item of statements elaborated to put in the questionnaire. Measurement ranged from a scale of 1 to 5 where 1 = strongly disagree and 5 = strongly agree. The 9 statements are :

- Good air circulation makes me feel comfortable
- The temperature at the work location is quite good
- The temperature at the work site affects my work

- I feel calm working here
- My work environment makes me calm
- Lighting at work sites is equipped with windows and lights that are sufficient and do not interfere with work activities.
- The color of the room where I work is good and does not interfere with the work I do
- Furniture in the workplace is flexible enough to be adjusted, arranged or rearranged
- The workplace layout supports work activities, accelerates task completion and encourages interaction between employees

3.7.3 Employee Performance (Z)

Employee performance as dependent variable referred to Robbins (2006) study as a measurement. These indicators are quality of work, which measured by employee perceptions of the quality of work produced and the perfection of tasks towards the skills and abilities of employees. The quantity, the amount generated is expressed in terms such as the number of units, number of cycles of activities completed. The third is a timeline, the activity level is completed at the beginning of the stated time, seen in terms of coordination with the output results and maximizing the time available for other activities. The fourth is effectiveness, the level of use of organizational resources (energy, money, technology, raw materials) is maximized in order to increase the yield of each unit in the

use of resources. The fifth is independent, level of independence of an employee who will later be able to carry out his work function. For the last one is work commitment, a level where employees have a work commitment to the agency and employee responsibilities to the office. From the indicator, there was 12 item of statements elaborated to put in the questionnaire. Measurement ranged from a scale of 1 to 5 where 1 = strongly disagree and 5 = strongly agree. The 12 statements are :

- I feel that I have produced quality work
- I felt the results of the work produced did not disappoint the agency
- I can complete the work according to the target number
- I can complete additional work along with the main job
- I can solve work problems quickly
- I can complete the work according to the predetermined time target
- I can finish the job effectively
- I can finish the job efficiently
- I do individual tasks well
- I did my work without the help of other employees
- I try to come according to the specified work schedule
- I come and go home from work according to the working hours determined by the company

3.7.4 Job Satisfaction (Y)

Job satisfaction as intervening variable referred to Robbins (2003) study as a measurement which provides 4 indicators. These indicators are the work that is mentally challenging, which individuals prefer jobs that provide opportunities to use skills and abilities and provide a variety of tasks, freedom, and feedback about how good the work is. The second is appropriate rewards, employees want a payment system that is fair, unambiguous, and in line with employee expectations. The third is supporting working conditions, employees relate to their work environment for personal comfort and ease of doing good work. Which is included in working conditions such as spatial layout, cleanliness of the workspace, facilities, and tools, temperature, noise level. The fourth is supporting co-workers, individuals get something more than money or tangible achievements from work but employees also meet the needs of social interaction. From the indicator, there was 11 item of statements elaborated to put in the questionnaire. Measurement ranged from a scale of 1 to 5 where 1 = strongly disagree and 5 = strongly agree. The 11 statements are :

- I feel satisfied with the work that is currently being done
- I feel the work given is in accordance with my abilities
- I feel that the salary provided is in accordance with the group
- I feel that the size and type of salary received in accordance with the workload borne

- I am satisfied with all types of compensation provided by the agency
- Facilities and equipment at my workplace are complete and adequate
- The room where I work is comfortable and is clean
- The boss has given direction to subordinates in every job
- Communication between superiors and subordinates is well established in solving work problems
- I feel that relationships with colleagues are well established
- I feel that I have no difficulty working with a cross or one work unit

3.8 Type of Data & Data Collection Method

According to Douglas (2015), there are different methods used to gather information, all of which fall into two categories, i.e. primary and secondary data.

1. Primary data

Primary data is one which is collected for the first time by the researcher, the most important difference is that primary data is factual and original. Primary data is collected with an aim for getting a solution to the problem at hand, term primary data refers to the data originated by the researcher for the first time. Primary data is a real-time data, also primary data is collected for addressing the problem at hand. Primary data collection is a very involved process, primary data sources include surveys, observations, experiments, questionnaire, personal interview etc. on the other contrary

2. Secondary data

Secondary data is the data that already collected or produced by others, secondary data is just the analysis and interpretation of the primary data. Secondary data is existing data collected by the investigator agencies and organizations earlier, also secondary data is collected for purposes other than the problem at hand. The secondary data collection process is rapid and easy, secondary data collection sources are government publications, websites, books, journal articles, internal records etc.

3.9 Data analysis

Data will be analyzed using multiple linear regression. According to Sugiyono (2007), multiple linear regressions are used to determine the direction of the influence and direction of the independent variable (X) to the dependent variable (Y).

3.9.1 Validity & Reliability

To establish the internal validity, internal consistency, and reliability of the instrument, Cronbach's Alpha Coefficient (α) was calculated and analyzed using data collected.

3.9.1.1 Validity Test

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.

3.9.1.2 Reliability Test

Reliability test is used to determine the magnitude of the research instrument index from the compensation variable, work environment, job satisfaction, and employee performance. The purpose of the reliability test is to determine the extent to which the results of a measurement can be trusted and provide relatively the same results if re-research is conducted (Siregar, 2014). The method used to test the reliability of this research instrument is to use the Cronbach's alpha coefficient, that is, if the value of Cronbach's alpha is greater than 0.6, then an instrument can be declared reliable.

3.9.2 Descriptive

Descriptive analysis will be used for all independent and dependent variables in the study. This analysis should indicate the means, standard deviations, and range of scores for these variables. (Creswell, 2012)

3.9.3 Classic assumption test

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

3.9.3.1 Normality test

According to (Ghozali, 2007) the normality test aims to test whether in the regression model, the residual confounding variable has a normal distribution. It is known that the t and F tests assume that the residual value follows a normal distribution. If this assumption is violated, the statistical test becomes invalid for a small number of samples. There are two ways to detect whether residuals are normally distributed or not, namely graph analysis and statistical tests.

3.9.3.2 Multicollinearity test

According to (Ghozali, 2007) the multicollinearity test aims to test whether the regression model found a correlation between independent variables. A good regression model should not occur between the independent variables. If the independent variables correlate with each other, then these variables are not orthogonal. Orthogonal variables are independent variables whose correlation value between independent variables is zero.

3.9.3.3 Heteroscedasticity test

According to (Ghozali, 2007) heteroscedasticity aims to test whether in the regression model there is an inequality of variance from the residual one observation to another observation. If the residual variance

from one observation to another observation remains, then it is called homoscedasticity and if it is different it is called heteroscedasticity. A good regression model is homoscedasticity or heteroscedasticity does not occur. Most data crosssections contain heteroscedasticity test situations because this data collects data that has a variety of sizes (small, medium, and large).

3.9.4 Assumption

The researcher assumption will be included in this study after the data collected. Assumptions listed in the research paper may be good sources of the research topics. Assumption provides a basis to conduct the research study.

3.9.5 Multiple Linear Regression Analysis

According to Sugiyono (2007), regression analysis is used to determine the effect of the independent variable (X) on the dependent variable (Y). There will be 3 regression model: Regression Model I, Regression Model II, and Regression Model III.

1. Regression Model I

The model I regression analysis is used to determine the magnitude of the direct effect of compensation variables and work environment on the variable job satisfaction.

2. Regression Model II

Model II regression analysis is used to determine the magnitude of the direct effect of compensation variables and work environment on employee performance variables.

3. Regression Model III

Model III regression analysis is used to determine the magnitude of the direct effect of compensation variables, work environment, and job satisfaction on employee performance variables.

3.9.6 Path Analysis

To test the effect of intervening variables, Path Analysis method is used. Path analysis is an extension of multiple linear regression analysis, or path analysis is the use of regression analysis to estimate causality between variables (casual models) that have been predetermined based on theory.

Path analysis cannot determine causal relationships and also cannot be used as substitution for researchers to see causality relationships between variables. Relationships between variables have been formed with models based on theoretical foundations. What can be done by path analysis is to determine the pattern of relationships between three or more variables and cannot be used to confirm or reject the imaginary causality hypothesis (Ghozali, 2013). The path analysis model in this study is as follows:

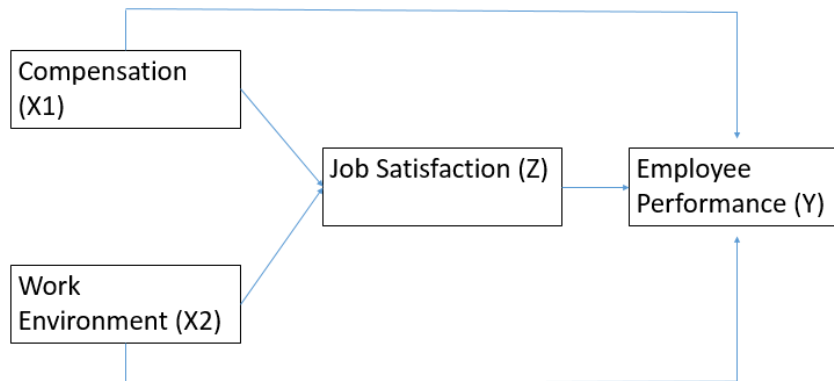


Figure 3.2 Path Analysis

3.9.7 Hypotheses Test

Hypothesis testing is a method of decision making based on data analysis, both from controlled trials and from observation (uncontrolled). In statistics, a result can be said to be statistically significant if the event is almost impossible due to accidental factors, according to a predetermined probability limit (Fisher, 1925). In the hypothesis test, there will be 2 tests carried out, namely t-test and f-test.

3.9.7.1 t-Test

According to Ghozali (2013), the t-test statistic basically shows how far the influence of one explanatory variable / independent individually in explaining the variation of the dependent variable. The null hypothesis (H_0) that is to be tested is $H_0: \beta_i = 0$, meaning that an independent variable is not a significant explanation for the dependent variable. The basic decision making used in the t-test is as follows:

1. If the significance probability value is > 0.05 , the hypothesis is rejected.
The rejected hypothesis means that the independent variable has no significant effect on the dependent variable.
2. If the value of probability is < 0.05 , then the hypothesis is accepted.
The irrevocable hypothesis means that the independent variable has a significant effect on independent variables.

3.9.7.2 f-Test

According to Ghozali (2013), F statistical test basically shows whether all independent variables or independent variables included in the model have a joint influence on the dependent variable. To test this hypothesis F statistics are used with the following decision-making criteria:

1. If the value of F is greater than 4 then H_0 is rejected at the 5% confidence level, in other words, we accept the alternative hypothesis, which states that all independent variables simultaneously and significantly affect the dependent variable.
2. Comparing the F value from the calculation with F according to the table. If the value of F count is greater than the value of F table, then H_0 is rejected and accepts H_1 .

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%

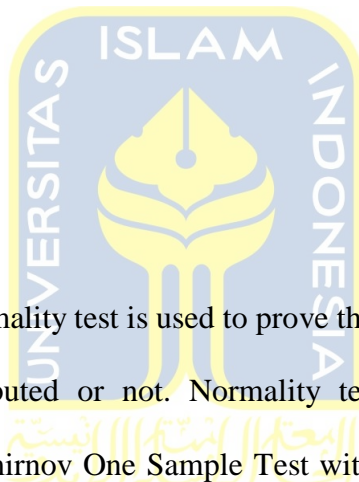
Source: Primary Data Processed in 2019

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

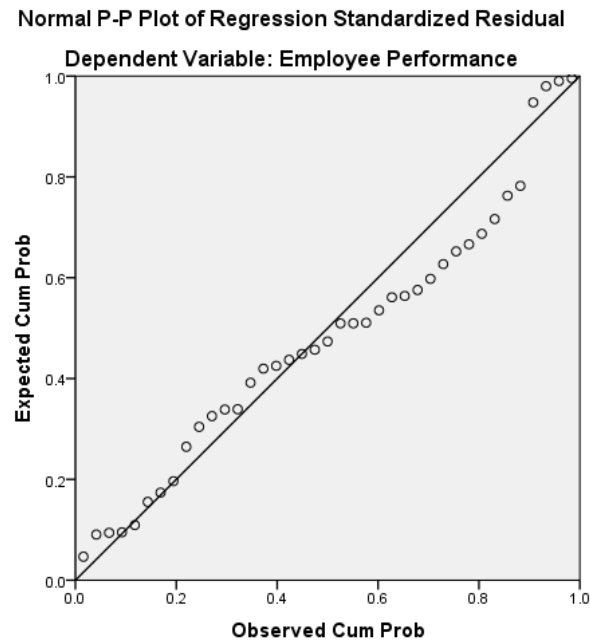


Figure 4.1 Normality Plots

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

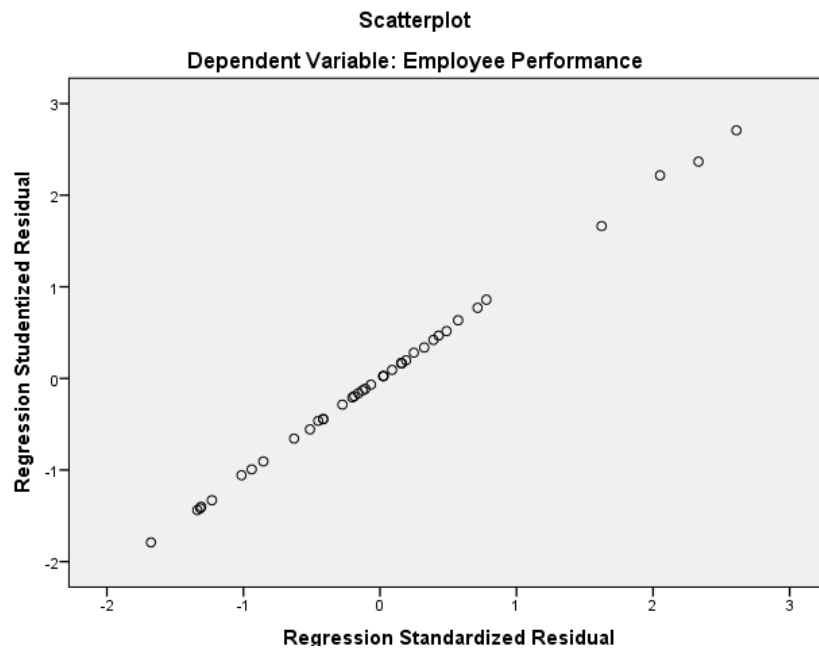


Figure 4.2 Heteroscedasticity plots

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

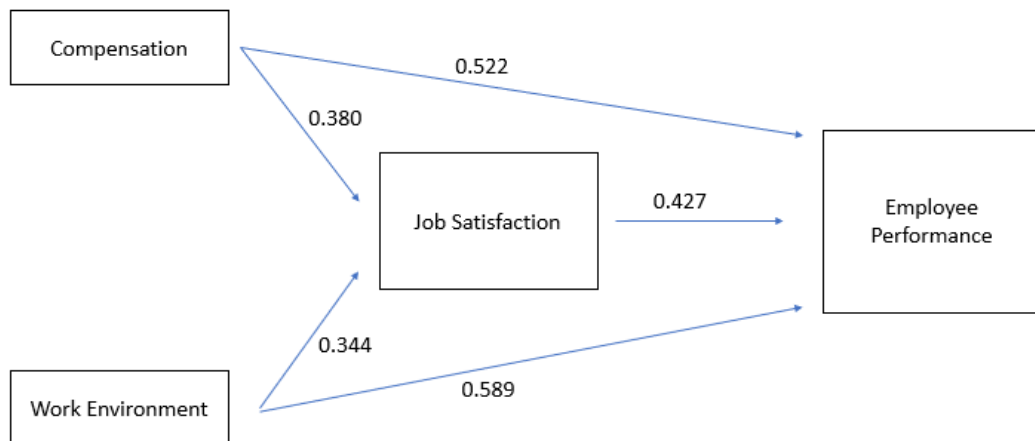


Figure 4.5

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.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

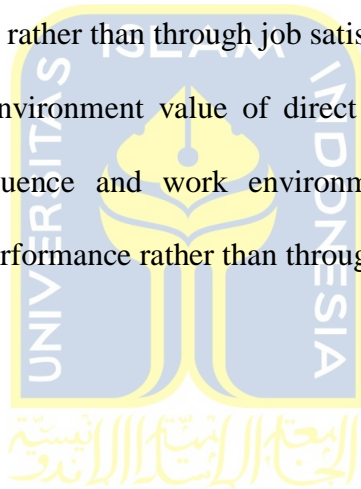
This chapter contains the conclusion of the research and research recommendation for future research. With those two portions, this chapter is able to address the verification of the hypothesis stated in chapter II of this research.

5.1 Conclusions

From the data analysis that has been conducted previously, it has been proven that all of the independent variables and intervening tested in this research positively influence the dependent variables. The points are written down below:

1. Compensation as the first independent variable is proven to have a positive influence on employee performance as the dependent variable.
2. Work Environment as the second independent variable is proven to have a positive influence on employee performance as the dependent variable.
3. Job Satisfaction as the intervening variable is proven to have a positive influence on employee performance as the dependent variable.
4. Compensation as the first independent variable is proven to have a positive influence on job satisfaction as the intervening variable.
5. Work Environment as the second independent variable is proven to have a positive influence on job satisfaction as the intervening variable.

6. Compensation as the first independent variable is proven to have a positive influence on employee performance as the dependent variable through job satisfaction.
7. Work Environment as the second independent variable is proven to have a positive influence on employee performance as the dependent variable through job satisfaction.
8. The compensation value of direct influence is greater than the indirect influence and compensation is more directly affect to employee performance rather than through job satisfaction.
9. The work environment value of direct influence is greater than the indirect influence and work environment more directly affect to employee performance rather than through job satisfaction.



5.2 Recommendations

Based on the result and the conclusion, the research recommendations are as follows:

1. On compensation variable the author found out that the lowest mean is from the 6th statement from the indicator about non-financial compensation. The statement is “I am satisfied with the provision of counselling for employees”, the author recommends that the company should provide a better counselling activity start from the supervisor of the department or provide a critic and suggestion box in their work environment. The hr department also can provide a better counselling activity to their employee. Furthermore, the company should keep the good work about their payment time to the employee, because employee feeling that company on time to pay the compensation got a highest mean in the compensation.
2. On Work Environment variable the author found out that the lowest mean is from the 2nd and 3rd statement. The statement is “The temperature at the work location is quite good” and “The temperature at the work site affects my work”, the author recommends that the company should provide an air conditioner to some department office in PT Madukismo, because there is some office which provides air conditioner and some are not provided. Furthermore, the company can maintain their lighting, because lighting at work sites is equipped with windows and lights that are sufficient and do not interfere with work activities as the highest mean in the work

environment. They can maintain it to keep it balance, not too dark or not too bright to interfere their work activities in the workplace.

3. On job satisfaction variable the author found out that the lowest mean is from the 4th statement. The statement is “I feel that the size and type of salary received in accordance with the workload borne”, the author recommends that PT Madukismo should consider about their task or responsibilities given to the employees which already match with the salary or not. Furthermore, the company already doing a job by giving an appropriate job description to their employee, because work given is in accordance with employee abilities is the highest mean in the job satisfaction.
4. On performance variable the author found out that the lowest mean is from the 10th statement with point. The statement is “I did my work without the help of other employees”, the author recommends that the employee of PT Madukismo should maintain the portion of the work, if it is a teamwork job then they should do it in a team otherwise when they got an individual job they should do it by individual. Furthermore, employee of PT Madukismo should maintain their discipline, because employee come and go home from work according to the working hours determined by the company is the highest mean from employee performance. They should always obey the rules in the PT Madukismo and keep discipline to give a good performance to the company.

5. For future studies, it is recommended that research is carried out in other sugar and spirits factories in order to enrich the topics of this study since the different findings could possibly be found.
6. The next researcher needs to consider other variable or intervening and add more sample to make this research completed.



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APPENDIX 1

Kuesioner Penelitian



Kuesioner Riset Analisis “The Influence of Compensation and Work Environment On Employee Job Performance Through Job Satisfaction In PT Madubaru, Yogyakarta”

Responden yang terhormat,

Guna penyusunan skripsi dalam rangka memenuhi syarat untuk dapat menyelesaikan program Strata satu pada Fakultas Ekonomi Departemen Manajemen Universitas Islam Indonesia Yogyakarta diperlukan data-data dan informasi yang mendukung kelancaran penelitian ini. Demi tercapainya tujuan penelitian ini, maka penyusun mohon kesediaan dari Bapak/Ibu/Saudara/Saudari untuk membantu mengisi kuesioner atau daftar pertanyaan yang telah disediakan.

Atas kesediaan Bapak/Ibu/Saudara/Saudari, penyusun mengucapkan banyak terima kasih karena telah meluangkan waktunya untuk mengisi kuesioner penelitian ini.

Hormat Saya,

Muhammad Rifki Al Ghifari
NIM: 14311592

KUESIONER

PROFIL RESPONDEN

1. Jenis kelamin Anda:

Pria

Wanita

2. Usia Anda : _____ tahun

3. Lama bekerja :

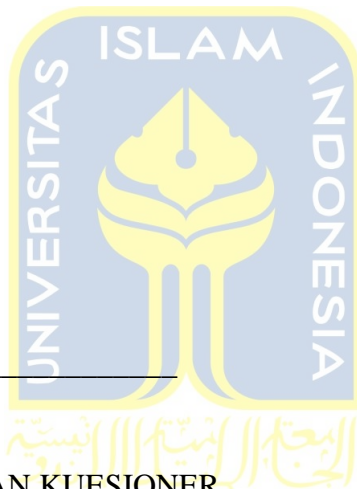
1 – 5 tahun

6 – 10 tahun

11 – 15 tahun

> 15 tahun

4. Departemen : _____



PETUNJUK PENGISIAN KUESIONER

Kuesioner di bawah ini memuat sejumlah pernyataan. Silahkan Anda memberikan tanda checklist (✓) pada kotak jawaban yang Anda pilih yang menunjukkan seberapa

besar tingkat persetujuan atau ketidaksetujuan anda terhadap pernyataan tersebut.

Keterangan

SS = Sangat Setuju

S = Setuju

R = Ragu

TS = Tidak Setuju

STS = Sangat Tidak Setuju

KUESIONER

Kompensasi

no	Pertanyaan	STS	TS	R	S	SS
1	Saya merasa perusahaan telah adil dalam pemberian kompensasi					
2	Saya merasa perusahaan tepat waktu dalam pemberian upah atau gaji					
3	Saya puas dengan adanya tambahan kompensasi diluar gaji dan upah					
4	Saya puas dengan pemberian "reward" untuk penambahan pekerjaan					
5	Saya puas dengan pemberian jaminan kesehatan dari instansi/perusahaan					
6	Saya puas dengan adanya pemberian konselling bagi pegawai					
7	Saya puas dengan pemberian liburan bagi pegawai/karyawan yang ditanggung oleh instansi/perusahaan					
8	Saya merasa fasilitas yang disediakan oleh perusahaan mendukung operasional pegawai/karyawan					
9	Saya merasa instansi/perusahaan memberikan penghargaan atas prestasi kerja yang dilakukan karyawan.					
10	Saya merasa adanya kenyamanan dan keamanan dalam bekerja.					

Lingkungan Kerja

no	Pertanyaan	STS	TS	R	S	SS
1	Sirkulasi udara cukup baik karena dilengkapi dengan jendela atau ventilasi					
2	Sirkulasi udara baik membuat saya merasa nyaman					
3	Suhu di lokasi kerja sudah cukup baik					
4	Suhu di lokasi kerja mempengaruhi pekerjaan saya					
5	Saya merasa tenang bekerja di sini					
6	Lingkungan kerja saya membuat saya tenang					
7	Penerangan di lokasi kerja dilengkapi dengan jendela dan lampu sudah cukup dan tidak mengganggu aktifitas pekerjaan.					
8	Warna ruangan tempat saya bekerja sudah baik dan tidak mengganggu pekerjaan yang saya lakukan					
9	Furnitur di tempat kerja cukup fleksibel untuk disesuaikan, diatur atau mengatur ulang					
10	Tata letak tempat kerja mendukung aktivitas kerja, mempercepat penyelesaian tugas dan mendorong interaksi antara karyawan					

Kinerja Karyawan

no	Pertanyaan	STS	TS	R	S	SS
1	Saya dapat menyelesaikan pekerjaan sesuai dengan SOP instansi terkait					
2	Saya merasa telah menghasilkan					

	pekerjaan yang berkualitas					
3	Saya merasa hasil pekerjaan yang dihasilkan tidak mengecewakan instansi					
4	Saya dapat menyelesaikan pekerjaan sesuai jumlah target					
5	Saya dapat menyelesaikan pekerjaan tambahan bersamaan dengan pekerjaan utama					
6	Saya dapat menyelesaikan masalah pekerjaan dengan cepat					
7	Saya dapat menyelesaikan pekerjaan sesuai dengan target waktu yang telah ditentukan					
8	Saya dapat menyelesaikan pekerjaan secara efektif					
9	Saya dapat menyelesaikan pekerjaan secara efisien					
10	Saya mengerjakan tugas individu dengan baik					
11	Saya mengerjakan tugas saya tanpa bantuan pegawai lain					
12	Saya berusaha untuk datang sesuai jadwal kerja yang ditentukan					
13	Saya datang dan pulang kerja sesuai dengan jam kerja yang telah ditentukan oleh perusahaan					

Kepuasan Kerja

no	Pertanyaan	STS	TS	R	S	SS
1	Saya merasa puas dengan pekerjaan yang dijalani saat ini					
2	Saya merasa pekerjaan yang diberikan sesuai dengan kemampuan saya					
3	Saya merasa bahwa gaji yang diberikan telah sesuai dengan golongan					
4	Saya merasa bahwa besar dan jenis gaji yang diterima sudah sesuai dengan beban kerja yang ditanggung					
5	Saya merasa puas dengan semua jenis kompensasi yang diberikan oleh instansi					
6	Fasilitas dan peralatan di tempat kerja saya sudah lengkap dan memadai					
7	Ruangan tempat saya bekerja nyaman dan terjaga kebersihannya					
8	Atasan telah memberikan pengarahan kepada bawahan dalam setiap pekerjaan					
9	Komunikasi antara atasan dan bawahan terjalin dengan baik dalam menyelesaikan masalah-masalah pekerjaan					
10	Saya merasa bahwa hubungan dengan rekan kerja terjalin dengan baik					
11	Saya merasa tidak kesulitan bekerja sama dengan lintas maupun satu unit kerja					

APPENDIX 2

Research Data

No	X1.1	X1.2	X1.3	X1.4	X1.5	X1.6	X1.7	X1.8	X1.9	X1.10
1	4	4	4	5	5	4	4	4	5	5
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3	5	5	5	5	5	5	5	5	5	5
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6	4	4	4	4	4	3	4	4	5	3
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38	4	4	4	4	4	4	4	4	4	4
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NO	X2.1	X2.2	X2.3	X2.4	X2.5	X2.6	X2.7	X2.8	X2.9
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NO	Y.1	Y.2	Y.3	Y.4	Y.5	Y.6	Y.7	Y.8	Y.9	Y.10	Y.11
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NO	Z.1	Z.2	Z.3	Z.4	Z.5	Z.6	Z.7	Z.8	Z.9	Z.10	Z.11	Z.12
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APPENDIX 3

Validity and Reliability Test

Correlations

		X1	X2	X3	X4	X5	X6	X7	X8	X9	X10	Skor Total
X1	Pearson Correlation	1	,417**	,197	,344*	,300*	,282	,195	,201	,495**	,373**	,592**
	Sig. (2-tailed)		,004	,185	,018	,041	,055	,190	,176	,000	,010	,000
	N	47	47	47	47	47	47	47	47	47	47	47
X2	Pearson Correlation	,417**	1	,454**	,448**	,288	,177	,312*	,016	,385**	,415**	,604**
	Sig. (2-tailed)	,004		,001	,002	,050	,235	,033	,916	,008	,004	,000
	N	47	47	47	47	47	47	47	47	47	47	47
X3	Pearson Correlation	,197	,454**	1	,514**	,605**	,211	,433**	,103	,518**	,283	,687**
	Sig. (2-tailed)	,185	,001		,000	,000	,154	,002	,492	,000	,054	,000
	N	47	47	47	47	47	47	47	47	47	47	47
X4	Pearson Correlation	,344*	,448**	,514**	1	,368*	,268	,235	,244	,471**	,355*	,666**
	Sig. (2-tailed)	,018	,002	,000		,011	,068	,112	,099	,001	,014	,000
	N	47	47	47	47	47	47	47	47	47	47	47
X5	Pearson Correlation	,300*	,288	,605**	,368*	1	,167	,377**	,034	,483**	,218	,622**
	Sig. (2-tailed)	,041	,050	,000	,011		,262	,009	,821	,001	,141	,000
	N	47	47	47	47	47	47	47	47	47	47	47
X6	Pearson Correlation	,282	,177	,211	,268	,167	1	,353*	,255	,585**	,324*	,582**
	Sig. (2-tailed)	,055	,235	,154	,068	,262		,015	,083	,000	,026	,000
	N	47	47	47	47	47	47	47	47	47	47	47
X7	Pearson Correlation	,195	,312*	,433**	,235	,377**	,353*	1	,461**	,477**	,270	,643**
	Sig. (2-tailed)	,190	,033	,002	,112	,009	,015		,001	,001	,066	,000
	N	47	47	47	47	47	47	47	47	47	47	47
X8	Pearson Correlation	,201	,016	,103	,244	,034	,255	,461**	1	,404**	,353*	,468**
	Sig. (2-tailed)	,176	,916	,492	,099	,821	,083	,001		,005	,015	,001
	N	47	47	47	47	47	47	47	47	47	47	47
X9	Pearson Correlation	,495**	,385**	,518**	,471**	,483**	,585**	,477**	,404**	1	,489**	,846**
	Sig. (2-tailed)	,000	,008	,000	,001	,001	,000	,001	,005		,000	,000
	N	47	47	47	47	47	47	47	47	47	47	47
X10	Pearson Correlation	,373**	,415**	,283	,355*	,218	,324*	,270	,353*	,489**	1	,635**

Reliability Statistics

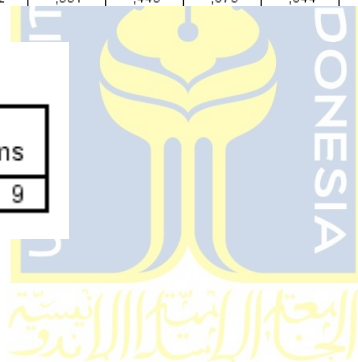
Cronbach's Alpha	N of Items
,837	10

Correlations

		Item2	Item3	Item4	Item5	Item6	Item7	Item8	Item9	Item10	SkorTotalq1
Item2	Pearson Correlation	1	,017	-,099	,133	,317*	,436**	,205	,278	,185	,452**
	Sig. (2-tailed)		,909	,509	,373	,030	,002	,168	,058	,214	,001
	N	47	47	47	47	47	47	47	47	47	47
Item3	Pearson Correlation	,017	1	,129	,303*	,421**	-,057	,393**	,276	,267	,551**
	Sig. (2-tailed)	,909		,386	,038	,003	,704	,006	,060	,070	,000
	N	47	47	47	47	47	47	47	47	47	47
Item4	Pearson Correlation	-,099	,129	1	,211	,075	,008	,413**	,227	,290*	,445**
	Sig. (2-tailed)	,509	,386		,156	,617	,957	,004	,125	,048	,002
	N	47	47	47	47	47	47	47	47	47	47
Item5	Pearson Correlation	,133	,303*	,211	1	,388**	,241	,470**	,412**	,346*	,675**
	Sig. (2-tailed)	,373	,038	,156		,007	,102	,001	,004	,017	,000
	N	47	47	47	47	47	47	47	47	47	47
Item6	Pearson Correlation	,317*	,421**	,075	,388**	1	,132	,214	,096	,661**	,644**
	Sig. (2-tailed)	,030	,003	,617	,007		,375	,148	,523	,000	,000
	N	47	47	47	47	47	47	47	47	47	47
Item7	Pearson Correlation	,436**	-,057	,008	,241	,132	1	,199	,335*	,099	,445**
	Sig. (2-tailed)	,002	,704	,957	,102	,375		,180	,021	,507	,002
	N	47	47	47	47	47	47	47	47	47	47
Item8	Pearson Correlation	,205	,393**	,413**	,470**	,214	,199	1	,462**	,238	,692**
	Sig. (2-tailed)	,168	,006	,004	,001	,148	,180		,001	,107	,000
	N	47	47	47	47	47	47	47	47	47	47
Item9	Pearson Correlation	,278	,276	,227	,412**	,096	,335*	,462**	1	,245	,634**
	Sig. (2-tailed)	,058	,060	,125	,004	,523	,021	,001		,097	,000
	N	47	47	47	47	47	47	47	47	47	47
Item10	Pearson Correlation	,185	,267	,290*	,346*	,661**	,099	,238	,245	1	,648**
	Sig. (2-tailed)	,214	,070	,048	,017	,000	,507	,107	,097		,000
	N	47	47	47	47	47	47	47	47	47	47
SkorTotalq1	Pearson Correlation	,452**	,551**	,445**	,675**	,644**	,445**	,692**	,634**	,648**	1

Reliability Statistics

Cronbach's Alpha	N of Items
,748	9



Correlations

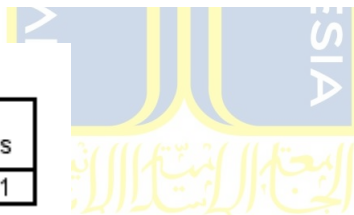
		Item1	Item2	Item3	Item4	Item5	Item6	Item7	Item8	Item9	Item10	Item11	Skor_total
Item1	Pearson Correlation	1	,520**	,341*	,489**	,634**	,205	,203	,143	,459**	,576**	,403**	,692**
	Sig. (2-tailed)		,000	,019	,000	,000	,167	,170	,338	,001	,000	,005	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item2	Pearson Correlation	,520**	1	,287	,416**	,500**	,295*	,364*	,247	,374**	,273	,223	,641**
	Sig. (2-tailed)	,000		,051	,004	,000	,044	,012	,094	,010	,064	,131	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item3	Pearson Correlation	,341*	,287	1	,414**	,321*	,296*	,133	,620**	,456**	,289*	-,028	,620**
	Sig. (2-tailed)	,019	,051		,004	,028	,044	,372	,000	,001	,048	,852	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item4	Pearson Correlation	,489**	,416**	,414**	1	,461**	,541**	,462**	,291*	,547**	,174	-,133	,727**
	Sig. (2-tailed)	,000	,004	,004		,001	,000	,001	,047	,000	,374	,000	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item5	Pearson Correlation	,634**	,500**	,321*	,461**	1	,416**	,394**	,252	,541**	,609**	,447**	,786**
	Sig. (2-tailed)	,000	,000	,028	,001		,004	,006	,087	,000	,000	,002	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item6	Pearson Correlation	,205	,295*	,296*	,541**	,416**	1	,302*	,333*	,354*	,256	-,072	,598**
	Sig. (2-tailed)	,167	,044	,044	,000	,004		,039	,022	,015	,083	,631	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item7	Pearson Correlation	,203	,364*	,133	,462**	,394**	,302*	1	,319*	,287	,325*	,068	,580**
	Sig. (2-tailed)	,170	,012	,372	,001	,006	,039		,029	,050	,026	,648	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item8	Pearson Correlation	,143	,247	,620**	,291*	,252	,333*	,319*	1	,374**	,270	-,007	,573**
	Sig. (2-tailed)	,338	,094	,000	,047	,087	,022	,029		,010	,066	,961	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item9	Pearson Correlation	,459**	,374**	,456**	,547**	,541**	,354*	,287	,374**	1	,417**	-,124	,718**
	Sig. (2-tailed)	,001	,010	,001	,000	,000	,015	,050	,010		,004	,407	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item10	Pearson Correlation	,576**	,273	,289*	,174	,609**	,256	,325*	,270	,417**	1	,512**	,637**
	Sig. (2-tailed)	,000	,064	,048	,241	,000	,083	,026	,066	,004		,000	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47
Item11	Pearson Correlation	,403**	,223	-,028	-,133	,447**	-,072	,068	-,007	,124	,512**	1	,303*
	Sig. (2-tailed)	,005	,131	,852	,374	,002	,631	,648	,961	,407	,000		,038
	N	47	47	47	47	47	47	47	47	47	47	47	47
Skor_total	Pearson Correlation	,692**	,641**	,620**	,727**	,786**	,598**	,580**	,573**	,718**	,637**	,303*	1
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	,038	
	N	47	47	47	47	47	47	47	47	47	47	47	47

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
,840	11



Correlations

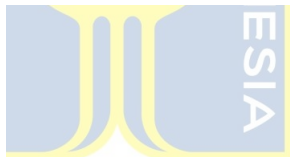
		Item2	Item3	Item4	Item5	Item6	Item7	Item8	Item9	Item10	Item11	Item12	Item13	Skor Total q1
Item2	Pearson Correlation	1	,118	,232	,056	,370*	,313*	,402**	,188	,255	,253	,228	,121	,603**
	Sig. (2-tailed)		,429	,117	,709	,011	,032	,005	,206	,083	,086	,124	,416	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item3	Pearson Correlation	,118	1	-,036	-,090	,362*	-,077	,185	,301*	,145	-,169	,302*	,086	,333*
	Sig. (2-tailed)	,429		,810	,547	,012	,608	,214	,040	,332	,257	,039	,568	,022
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item4	Pearson Correlation	,232	-,036	1	,249	,066	,301*	,083	,154	,284	,092	-,130	,002	,398*
	Sig. (2-tailed)	,117	,810		,091	,661	,040	,578	,300	,053	,538	,383	,987	,006
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item5	Pearson Correlation	,056	-,090	,249	1	,180	,170	,138	,320*	,046	,365*	-,034	-,066	,431**
	Sig. (2-tailed)	,709	,547	,091		,227	,252	,355	,028	,760	,012	,822	,660	,002
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item6	Pearson Correlation	,370**	,362*	,066	,180	1	,046	,014	,419**	,151	,084	,334*	-,163	,481**
	Sig. (2-tailed)	,011	,012	,661	,227		,759	,925	,003	,311	,577	,022	,273	,001
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item7	Pearson Correlation	,313*	-,077	,301*	,170	,046	1	,383**	,081	,307*	,280	-,076	,378**	,537**
	Sig. (2-tailed)	,032	,608	,040	,252	,759		,008	,586	,036	,057	,610	,009	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item8	Pearson Correlation	,402**	,185	,083	,138	,014	,383**	1	,409**	-,164	,313*	,038	,227	,505**
	Sig. (2-tailed)	,005	,214	,578	,355	,925	,008		,004	,270	,032	,801	,124	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item9	Pearson Correlation	,188	,301*	,154	,320*	,419**	,081	,409**	1	-,102	,397**	,307*	-,030	,598*
	Sig. (2-tailed)	,206	,040	,300	,028	,003	,586	,004		,494	,006	,036	,842	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item10	Pearson Correlation	,255	,145	,284	,046	,151	,307*	-,164	-,102	1	,059	,325*	,446**	,492**
	Sig. (2-tailed)	,083	,332	,053	,760	,311	,036	,270	,494		,693	,026	,002	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item11	Pearson Correlation	,253	-,169	,092	,365*	,084	,280	,313*	,397**	,059	1	-,106	-,022	,521**
	Sig. (2-tailed)	,086	,257	,538	,012	,577	,057	,032	,006	,693		,478	,885	,000
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item12	Pearson Correlation	,228	,302*	-,130	-,034	,334*	-,076	,038	,307*	,325*	-,106	1	,371**	,422**
	Sig. (2-tailed)	,124	,039	,383	,822	,022	,610	,801	,036	,026	,478		,010	,003
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Item13	Pearson Correlation	,121	,086	,002	-,066	-,163	,378**	,227	-,030	,446**	-,022	,371**	1	,392**
	Sig. (2-tailed)	,416	,568	,987	,660	,273	,009	,124	,842	,002	,885	,010		,006
	N	47	47	47	47	47	47	47	47	47	47	47	47	47
Skor Total q1	Pearson Correlation	,603**	,333*	,398**	,431**	,481**	,537**	,505**	,598**	,492**	,521**	,422**	,392**	1
	Sig. (2-tailed)	,000	,022	,006	,002	,001	,000	,000	,000	,000	,000	,003	,006	
	N	47	47	47	47	47	47	47	47	47	47	47	47	47

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
,677	12



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APPENDIX 4

Classical Assumption

Normality Tests

One-Sample Kolmogorov-Smirnov Test

		Compensation	Work Environment	Employee Performance	Job Satisfaction
N		39	39	39	39
Normal Parameters ^{a,b}	Mean	40.64	37.10	47.59	44.15
	Std. Deviation	4.202	2.808	3.545	4.289
Most Extreme Differences	Absolute	.125	.114	.135	.130
	Positive	.125	.114	.135	.130
	Negative	-.123	-.080	-.093	-.073
Test Statistic		.125	.114	.135	.130
Asymp. Sig. (2-tailed)		.130 ^c	.200 ^{c,d}	.072 ^c	.096 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

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



Multicollinearity

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.091	7.833		.139	.890		
	Compensation	.395	.111	.468	3.545	.001	.813	1.230
	Work Environment	.682	.164	.540	4.148	.000	.835	1.197
	Job Satisfaction	.116	.111	.141	1.053	.300	.793	1.261

a. Dependent Variable: Employee Performance

APPENDIX 5

F test and T test

f-test

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	240.476	3	80.159	11.840	.000 ^b
	Residual	236.960	35	6.770		
	Total	477.436	38			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Job Satisfaction, Work Environment, Compensation

t-test



Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.881	11.719		.758	.454
	Compensation	.388	.155	.380	2.503	.017
	Work Environment	.526	.232	.344	2.265	.030

a. Dependent Variable: Job Satisfaction



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

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

