

TABLE OF CONTENT

Legalization Page	ii
Approval Page	iii
Declaration of Authenticity	iv
Acknowledgment	v
Table of Contents	viii
List of Tables	xiv
List of Figures	xvi
List of Appendix	xvii
Abstract (in English)	xviii
Abstract (in Bahasa Indonesia)	xix
CHAPTER I: INTRODUCTION	1
1.1. Background of study	1
1.2. Problem identification	3
1.3. Problem formulation	4
1.4. Problem limitation	5
1.5. Research objective	5
1.6. Research contribution	6
1.7. Definition of terms	7
1.8. Systematic of writing	8
CHAPTER II: LITERATURE REVIEW	10

2.1. Previous study	10
2.2. Theoretical Review	65
2.2.1. HRM	65
2.2.1.1. Definition	65
2.2.1.2. Practice	66
2.2.2. Compensation	70
2.2.2.1. Definition	70
2.2.2.2. Importance	71
2.2.2.3. Components	72
2.2.2.4. Theory	73
2.2.3. Work environment	77
2.2.3.1. Definition	77
2.2.3.2. Importance	78
2.2.3.3. Components	79
2.2.3.4. Theory	81
2.2.4. Job satisfaction	84
2.2.4.1. Definition	84
2.2.4.2. Importance	85
2.2.4.3. Components	86
2.2.4.4. Theory	88
2.2.5. Performance	92
2.2.5.1. Definition	92
2.2.5.2. Importance	92

2.2.5.3. Components	93
2.2.5.4. Theory	94
2.3. Correlation between variables	97
2.3.1. Compensation – job satisfaction	97
2.3.2. Work environment – job satisfaction	98
2.3.3. Compensation – performance	98
2.3.4. Work environment – performance	99
2.3.5. Job satisfaction – performance	99
2.3.6. Compensation – performance – through job satisfaction	100
2.3.7. Work environment – performance – trough job satisfaction ...	101
2.4. Conceptual framework	102
CHAPTER III: Methodology	103
3.1. Introduction	103
3.2. Research object	103
3.2.1. Research site	103
3.2.2. Company profile	103
3.2.3. Population	106
3.3. Research variable	106
3.4. Operational definition	107
3.4.1. Compensation	107
3.4.2. Work environment	109
3.4.3. Job satisfaction	109
3.4.4. Performance	111

3.5. Type of study	112
3.6. Data collection method	112
3.7. Data measurement instruments	113
3.7.1. Validity test	114
3.7.2. Reliability test	114
3.8. Data analysis technique	115
3.8.1. Descriptive Analysis	115
3.8.2. Classical Assumption	116
3.8.2.1. Normality Test	116
3.8.2.2. Multicolonierity Test	116
3.8.2.3. Heteroscedasticity Test	117
3.8.3. Regression Analysis	117
3.8.3.1. Multiple linear regression	117
3.8.3.2. Path analysis	119
CHAPTER IV: DATA ANALYSIS AND DISCUSSION	122
4.1. Data Measurement	122
4.2. Data Analysis.....	126
4.2.1. Descriptive Analysis	126
4.2.1.1. Respondent Characteristic	126
4.2.1.2. Research Variables	130
4.2.2. Classical Assumption Test	135
4.2.2.1. Normality Test	135
4.2.2.2. Multicolonierity Test	136

4.2.2.3. Heteroscedasticity Test	137
4.2.3. Regression Analysis	137
4.2.3.1. The Influence of Compensation and Work Environment to Job Satisfaction	137
4.2.3.2. The Influence of Compensation and Work Environment to Employee Performance	140
4.2.3.3. The Influence of Job Satisfaction to Employee Performance	144
4.2.4. Path Analysis	146
4.3. Recapitulation Of Hypotheses Testing Result	148
4.4. Discussion	149
4.4.1. The Effect Of Compensation To Job Satisfaction	149
4.4.2. The Effect Of Work Environment To Job Satisfaction	151
4.4.3. The Effect Of Compensation To Employee Performance	153
4.4.4. The Effect Of Work Environment To Employee Performance	155
4.4.5. The Effect Of Job Satisfaction To Employee Performance ...	156
4.4.6. The Effect of Compensation To Employee Performance Through Job Satisfaction	158
4.4.7. The Effect of Work Environment To Employee Performance Through Job Satisfaction.....	160
CHAPTER V: CONCLUSION AND SUGGESTION	163
5.1. Conclusion	163

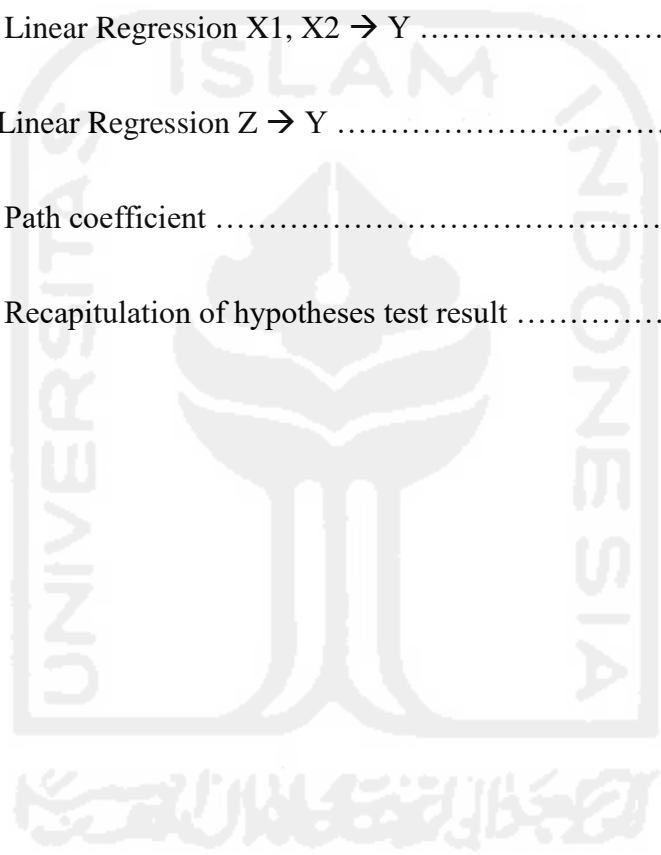
5.2. Suggestion	164
REFERENCES	167
APPENDIX	172



LIST OF TABLES

Table 2.1. Summary of journals	22
Table 4.1. Compensation validity test result	122
Table 4.2. Work Environment validity test result	123
Table. 4.3. Job satisfaction validity test result	124
Table 4.4. Employee performance validity test result	125
Table 4.5. Reliability test result	126
Table 4.6. Respondent characteristic based on age	126
Table 4.7. Respondent characteristic based on gender	127
Table 4.8. Respondent characteristic based on working position	127
Table 4.9. Respondent characteristic based on length of employment	128
Table 4.10. Respondent characteristic based on last educational level	128
Table 4.11 Respondent characteristic based on salary	129
Table 4.12. Interval class category	130
Table 4.13. Descriptive analysis of compensation variable	130
Table 4.14 Descriptive analysis of work environment variable	132
Table 4.15. Descriptive analysis of job satisfaction variable	133
Table 4.16 Descriptive analysis of employee performance variable	134

Table 4.17. Normality test result	135
Table 4.18. Multicolonierity test result	136
Table. 4.19 Heteroscedasticity test result	137
Table 4.20. Linear Regression $X_1, X_2 \rightarrow Z$	137
Table 4.21. Linear Regression $X_1, X_2 \rightarrow Y$	140
Table 4.22 Linear Regression $Z \rightarrow Y$	144
Table 4.23. Path coefficient	147
Table 4.24. Recapitulation of hypotheses test result	149



LIST OF FIGURES

Figure 2.1. Theoretical Framework	102
Figure 3.1. Path diagram	120
Figure 4.1. Path analysis diagram	146



LIST OF APPENDIX

Appendix A RESEARCH QUESTIONNAIRE	172
Appendix B VALIDITY AND RELIABILITY TEST RESULT	179
Appendix C RESPONDENT CHARACTERISTIC	201
Appendix D DESCRIPTIVE ANALYSIS	204
Appendix E NORMALITY TEST	207
Appendix F MULTICOLLENERITY TEST	209
Appendix G HETEROSCEDASTICITY TEST	210
Appendix H REGRESSION ANALYSIS	211

