

## CHAPTER V

### CONCLUSION AND SUGGESTION

#### 5.1. Conclusion

There are several conclusion based on the result of data analysis as follow:

1. Compensation has positive and significant effect to job satisfaction. It is proved by the significance level of compensation towards job satisfaction, which is smaller than the probability level ( $0,004 < 0,05$ ).
2. Work environment has positive and significant effect to job satisfaction. It is proved by the significance level of work environment towards job satisfaction, which is smaller than the probability level ( $0,000 < 0,05$ ).
3. Compensation has positive and significant effect to employee performance. It is proved by the significance level of compensation towards employee performance, which is smaller than the probability level ( $0,023 < 0,05$ ).
4. Work environment has positive and significant effect to employee performance. It is proved by the significance level of work environment towards employee performance, which is smaller than the probability level ( $0,000 < 0,05$ ).
5. Job satisfaction has positive and significant effect to employee performance. It is proved by the significance level of job satisfaction

towards employee performance, which is smaller than the probability level ( $0,000 < 0,005$ ).

6. Compensation has a stronger effect to employee performance through job satisfaction as intervening variable rather than the direct effect of compensation to employee performance itself. It is proved by the path coefficient of indirect influence is higher than the direct influence ( $0,279 > 0,252$ ).
7. Work environment has a weaker effect to employee performance through job satisfaction as intervening variable rather than the direct effect of work environment to employee performance itself. It is proved by the path coefficient of indirect influence is smaller than the direct influence ( $0,402 < 0,643$ ).

## **5.2. Suggestion**

1. For TRAC Astra Rent A Car

This study proves that compensation and work environment have positive and significant effect to employee performance. However, compensation has slightly greater effect compared to work environment. Based on the data, financial compensation has higher percentage of impact rather than non-financial compensation. On the other hand, many of the respondents stated that their base salary is not suitable with their work. So, it is suggested that the company should rebuild the compensation package for their employee, whether the base salary can be

increased or the base salary is still the same but add more benefits to the employee.

Although the work environment has a slightly lower impact than compensation, it still has a high value. So the company should also consider to fix the work environment. In work environment variable, the social environment has the highest value compared to physical and mental environment. So, it is suggested that in order to fix the work environment as whole, organization should fix the mental environment first because it has the smallest value. Organization should give a variety of work to employee to decrease their boredom.

The other results of this study shows that the indirect influence of work environment to employee performance through job satisfaction is smaller than the direct influence of work environment to employee performance. So, it is suggested that in order to increase employee performance, it is better for the company to directly increase it from the work environment rather than through job satisfaction as a mediator.

## 2. For Future Researcher

For future researchers who are interested in this topic, in order to get more varied results, it is suggested to add more dependent variables that affect job satisfaction and employee performance and conduct the study in different institution and industry.

## 3. For Readers

For the readers who are going to use this study as reference, it is better to analyze and compare to other studies with similar topic since this study may have some weaknesses.

