

THE IMPACT OF COMPENSATION AND WORK ENVIRONMENT TOWARDS JOB SATISFACTION TO AFFECT THE EMPLOYEE PERFORMANCES

¹I Komang Oka Permadi, ²Nengah Landra, ³I Gusti Agung Eka Teja Kusuma, ⁴I Nengah Sudja

¹Post Graduated Program, Mahasaraswati University, Denpasar Bali-Indonesia
^{2,3,4}Lecture, Post Graduated Program, Mahasaraswati University, Denpasar Bali-Indonesia

Abstract: The purpose of this research is to measure the impact of compensation and work environment towards the employee performances mediated by the job satisfaction. This is a quantitative research using the previous measurement scale. Sample of this research is the whole employee of Sinarbali Binakarya industry in Denpasar Bali Indonesia in total 82 persons. The sample identified as the population with saturation technique. The result shows that the compensation and work environment partially have the positive influence towards the job satisfaction and employee performance. The satisfaction is significantly mediated the relation of compensation and work environment towards the employee performance. Contribution of this research is to strengthen the theory and result of the previous study and also a faith to the world of practice related to the behavior of the compensation variable effect.

Keywords: compensation, work environment, job satisfaction, employee performance, construction, Bali.

1. INTRODUCTION

Research background:

Human resources are the important assets in an organization. Sinarbali Binakarya Company is the private company that operates in construction service especially in highways project. Realizing that the importance of the human resource existences through a good performance to stay on top in the competition.

There are two important policies that have been done to improve the human resource performances such as; compensation policy and creating the work environment support to create the job satisfaction. Despite of the performance decrease of the employees it can be seen by the increase of the absent. On 2018, January, the highest level of absence had reached 114 days (6,16%), while the lowest occurred on 2018, March, 56 days (3,31%). This result obviously becomes a consideration for the company as it expected a stable employee attendance from year to year to support the company productivity.

The internal survey result shows that the employee experienced the high job volume and pressure, while the wage or compensation is still not good enough. The wage or compensation received by the employee is not enough to pay their bills because of the inflation that increase the price of basic goods.

Research gap:

The empirical study has been done to see the impact of the compensation and work environment to stimulate the satisfaction so it can increase the performances. On a phase of empirical study, a result has been found an unequal compensation impacts toward the employee performance. Some studies have shown the positive result (Sopiah, 2013; Salisu, et al., 2017; Mabaso and Dlamini, 2017; Hameed, et al., 2014; Sheila Wambui and Josephat Kwasira, 2015) and Aslam, et al, 2015), but other studies have shown the insignificant result (Yamoah, 2014; Rizal, et al., 2014).

The unequal of the empirical study result is also being found on the influence of work environment towards the employee performances. Some studies show a significant positive (Mathews dan Khann, 2016; Lankeshwara, 2016; Chandra dan Priyono, 2016; Riyanto et al., 2017), but some of them show the insignificant (Samson et al., 2015).

According to the field phenomenon gap progress and empirical findings so this research is adopting the job satisfaction as mediation between compensation impact and work environment towards the employee performance as a background by the result of previous empirical study. The impact of compensation towards the job satisfaction mostly found on a positive way (Sopiah, 2013; Salisu et al, 2017; Mabaso and Dlamini, 2017) as well as the impact of work environment towards the job satisfaction (Muhammad et al, 2015; Salunke, 2015; Raziq and Maulabakhsh, 2015; Agbozo et al, 2017), including the job satisfaction of the employee performances were significantly positive (Fadalh, 2015; Ndulue and Ekechukwu, 2016, and Octaviannand et al, 2017)

All the sequences of the gap phenomenon and the gap research is to give a clear direction of the problem formulation such as; Does the compensation and the work environment have direct positive impact towards the performance and satisfaction of the employees. Does the job satisfaction have a significant positive impact towards employee performance, and does it significantly work as mediation between work environment and compensation towards employee performance.

2. LITERATURE REVIEW

Compensation:

According to (2009: 118) stated that compensation is all the revenue that is come in a form of money, direct and indirect goods received by the employees as a reward or service that has given to the company. Meanwhile, Sedarmayanti, (2009: 9) stated that compensation must be fair and proper. Fair means it based on the achievement, and proper means it fulfilled the basic needs and it also based on the government's minimum wage level and for internal and external fairness.

According to Sedarmayanti (2014: 241) there are six indicators to measure the compensation such as; salary, bonus, incentive, insurance, security, and working holidays.

Work Environment:

According to Sedarmayanti (2009: 21), the definition of work environment is about the tools and the material that faced, the surrounding environments where someone is working, the method they are using, and the setup as an individual or when in a work group. In other hand, Mardiana (2005), work environment is a place where employees are doing their job. A good work environment gives security and create an optimization for the employees.

According to Sedarmayanti (2011: 28) there are six indicators for work environment such as; lighting, air temperature, noise level, color usage, work ability, and work relationship.

Job Satisfaction:

According to Robbins and Judge (2008: 99), job satisfaction means a positive feeling about someone's job, which came from the result of his or her characteristics. In the other hand, Davis and Newstorm (2008: 105) stated that the job satisfaction is about the employee's feeling to feel the happiness to do their job.

According to Rivai (2011: 28) there are five indicator for job satisfaction such as; the job itself, payment, promotion, supervision, and co-workers.

Employee Performance:

Irawan (2000: 588) stated that a performance is a concrete result, it can be observed and it can be measured so in another word, performance is a result that achieved by the employee based on some specific standards. According Mangkunegara (2013: 67) performance means a result based on quality and quantity achieved by an employee as his or her capacity. In other hand, Sedarmayanti (2001: 260) stated that performance is a result of the employees, a management process where the result can be shown in concrete and measurable (compared to the specific standards).

According to Robbins (2006: 260), there are six indicators for employee performance such as; work quality, work quantity, punctuality, work effectiveness, independency, and the desire to develop.

Hypotheses

The compensation impact towards job satisfaction

Research conducted by Sopiah (2013), Yaseen (2013), Muguongo et al. (2015), Salisu et al. (2017) and also Mabaso and Dlamini (2017) conclude that a compensation has a significant positive impact toward job satisfactions. This kind of result is also conducted by Onsardi et al.(2017) shows that there was a direct positive impact from the compensation and empowerment towards the job satisfaction, but a research by Yamoah (2014) concluded that the compensation was not affecting the job satisfaction. Most of the result of the empirical studies shows a significantly positive. According the explanation, the hypothesis can be submitted:

H₁: The compensation has positive impact towards the job satisfaction

The work environment impact towards job satisfaction

The research by Muhammad et al. (2015), Salunke (2015), Raziq and Maulabakhsh (2015) and Agbozo et al. (2017) concluded that the work environment has a significant positive impact towards job satisfaction. Other research is conducted by Chieze et al (2017) shows the positive impact of work environment towards career progress that indicated as a job satisfaction. Based on the previous empirical studies result, it can be formulated as below:

H₂: The work environment has a positive impact towards job satisfaction

The compensation impact towards employee performances

Hameed et al. (2014), Njoroge and Kwasira (2015) and Aslam et al. (2015), has conducted the empirical studies and found that the compensation has positive and significant impact towards employee performances, even though there was also other that shows the insignificant (Rizal, et al 2014). Most of these results have been shown some positive ways. Based on the explanation above, it can be formulated as below:

H₃: The compensation has positive impact towards employee performance

The work environment impact towards employee performance

The research conducted by Mathews and Khann (2016), Lankeshwara (2016), Chandra and Priyono (2016) and Riyanto et al., (2017) with the result that the work environment affected the employee performances in a positive and significant way. But the other research by Samson et al (2015) showed that it did not affect the performances. Mostly show in a positive way. Based on the explanation above, it can be hypothetically submitted as below:

H₄: The work environment has positive impact towards employee performance

The job satisfaction impact towards the employee performance

The research conducted by Fadlallh (2015), Ndulue and Ekechukwu (2016) and Octaviannand et al. (2017) with the result that the job satisfaction affected the employee performances in a positive and significant way. But the other research by Agustiniingsih et al (2016) showed that it did not affect the performances. Mostly show in a positive way. Based on the explanation above, it can be hypothetically arranged as below:

H₅: The job satisfaction has positive impact towards the employee performance

3. RESEARCH METHODOLOGY

This research used the quantitative research method design to test the model and instrument that has been developed by the previous researcher through the inferential statistics with Structural Equation Modelling (SEM) by Partial Least Square (PLS) approach.

Sample of this research is the whole employee of Sinarbali Binakarya industry in Denpasar Bali Indonesia in total 82 persons. The sample identified as the population with saturation technique.

There are four variables involved in this research; compensation with the indicator from Sedarmayanti (2015:241), work environment with the indicator from Sedarmayanti (2011:28), job satisfaction adopted from Rivai (2011:860) and employee performance with the indicator adopted from Robbins (2006:260). Each of these indicators has been tested empirically and has been used on previous empirical study it can be seen on table 2. All the items that been used as research instruments apply the five points Likert scale such “very disagree (1)” until “very agree (5)”.

Construct validity and reliability:

The validity and reliability test has been done by involving 30 respondents. This test is conducted by finding out the significant correlations and Cronbach Alpha in every dimension and constructs. The construct is reliable if it has Cronbach Alpha > 0,70 (Malhotra, 2007). The indicator has a valid condition if each indicator score contains a positive and significant bivariate correlation with total indicator score. Table 2 explains the Cronbach Alpha value for each construct and dimension shows the value above 0,7 and the significant correlation per indicator shows the positive value.

Table 1: The result of validity and reliability of the research instruments

Variable	Dimension	Indicator	Correlation Significance	Cronbach's Alpha
Compensation (X ₁)	Salary (X _{1.1})	Salary is received based on the job that given by the company (X _{1.1.1})	0,741	0,867
		The amount of salary is based on the position on the company X _{1.1.2})	0,764	
	Bonus (X _{1.2})	The work achievement will be rewarded with annual bonuses (X _{1.2.1})	0,628	
		The company will provide bonuses or additional benefits (X _{1.2.2})	0,623	
	Incentive (X _{1.3})	The head of the company will provide the incentives to high-achieving employees (X _{1.3.1})	0,574	
		Incentives will provide a huge work enthusiasm (X _{1.3.2})	0,591	
	Insurance (X _{1.4})	Company will provide health insurances (X _{1.4.1})	0,698	
		Covered by the health insurances (X _{1.4.2})	0,415	
	Security (X _{1.5})	Employee will get a security guarantee as long as he/she is working at the company (X _{1.5.1})	0,793	
		Protected by the security guarantee (X _{1.5.2})	0,864	
	Working Holidays(X _{1.6})	Can use the leave benefits to have some rests (X _{1.6.1})	0,428	
		Receive the severance pay on vacation or leave (X _{1.6.2})	0,361	
Work Environment (X ₂)	Lighting (X _{2.1})	Lighting on the workspace is proper(X _{2.1.1})	0,635	0,902
		The over bright lighting will causing heat and anxious (X _{2.1.2})	0,759	
	Air Temperature (X _{2.2})	All rooms are equipped with air conditioner (AC) (X _{2.2.1})	0,878	
		Air circulation is already good (X _{2.2.2})	0,878	
	Noise Level (X _{2.3})	No noise at the workspace (X _{2.3.1})	0,786	
		Comfortable working due to the minimum noise level (X _{2.3.2})	0,501	
	Color usage (X _{2.4})	The room coloring is already good (X _{2.4.1})	0,649	
	Work Ability (X _{2.5})	Guided by the supervisor related to the jobs (X _{2.5.1})	0,750	
		Always get briefing from supervisor (X _{2.5.2})	0,664	
	Work Relationship (X _{2.6})	Zero problem of communications (X _{2.6.1})	0,807	
Work together with the co-workers (X _{2.6.2})		0,632		
Job Satisfaction (Y ₁)	The job itself (Y _{1.1})	Have interesting job (Y _{1.1.1})	0,685	0,887
		Proud with the job (Y _{1.1.2})	0,646	
	Payment (Y _{1.2})	The salary is paid on time (Y _{1.2.1})	0,773	
		The incentives are received based on the	0,664	

		work result (Y _{1.2.2})		
	Promotion(Y _{1.3})	The promotion is open for all employees (Y _{1.3.1})	0,777	
		Fair selection process (Y _{1.3.2})	0,777	
	Supervision (Y _{1.4})	Fair supervisor (Y _{1.4.1})	0,596	
		The supervisor takes care the complaint (Y _{1.4.2})	0,596	
	Co-Workers(Y _{1.5})	Having a good co-workers (Y _{1.5.1})	0,821	
		Supportives co-worker (Y _{1.5.2})	0,714	
Employee performance s(Y ₂)	Work Quality (Y _{2.1})	Doing the job carefully and precisely (Y _{2.1.1})	0,701	0,937
		Skills are matching with task and job that given by the company (Y _{2.1.2})	0,572	
	Work Quantity (Y _{2.2})	Work achievement level is according the company's expectation (Y _{2.2.1})	0,856	
		The result is in accordance as its established (Y _{2.2.2})	0,856	
	Punctuality (Y _{2.3})	To accomplish the job on time (Y _{2.3.1})	0,845	
		To be able to solve the problem as soon as possible (Y _{2.3.2})	0,893	
	Work Effectiveness (Y _{2.4})	To be able to stay focus while doing the job, even when the supervisor is not around (Y _{2.4.1})	0,859	
		To be able to determine and set the priorities effectively (Y _{2.4.2})	0,859	
	Independency(Y _{2.5})	To be able to responsible about the job (Y _{2.5.1})	0,790	
		To be able to accomplish the job individually (Y _{2.5.2})	0,617	
	The desire to develop (Y _{2.6})	Self-developing (Y _{2.6.1})	0,666	
		To gain the better work achievement in the future (Y _{2.6.2})	0,739	

Source : data processing

4. RESULT AND DISCUSSION

Data Analysis Result:

This research used loading factor value terms 0,50 for the significant reflective indicator in practically (Hair et al, 2006). The output of analysis about loading factor on this research has shown all the item has loading factor value <0,50, with p>0,05 or T-statistics above 1,96, so it adequates with the convergent validity. Table 2 showed that the composite reliability is good when it has value above 0,70. The value of composite reliability obtained in this research is above 0,70 so it is qualified according to Nunnally (1978).

The determination coefficient analysis (R²) is a standard of the accuracy for model prediction. The value of this effect is about 0 to 1. The value 1 is represented the full prediction accuracy (Hair et al, 2011; Henseler et al, 2009). Both compensation exogen variable and work environment showed that the R Square criteria is moderate.

Table 2: Composite Reliability and R Square

Variable	Composite Reliability (> 0,60)	R-Square Result	
		R-Square	Criteria*
Compensation (X1)	0,931	0,605	Moderate
Work environment (X2)	0,948	0,652	Moderate
Job satisfaction (Y1)	0,926	-	-
Employee performance (Y2)	0,952	-	-

Information: *= Criteria Chin, (1998), Hair, et al. (2011), Henseler et al.(2009)

Source : data processing

The information obtained on the table 3 can be figured out that all variables has AVE value above 0,5 and qualified to discriminant validity (Fornell & Larcker, 1981). Furthermore, it can be seen that the square root of average variance extracted (\sqrt{AVE}) value for each variables are mostly above the correlation coefficient value within variable

Table 3: Value AVE and \sqrt{AVE}

Variable	AVE	\sqrt{AVE}	Correlation			
			X1	X2	Y1	Y2
Compensation (X1)	0,556	0,746	1,000	0,158	0,742	0,671
Work environment (X2)	0,625	0,791	0,158	1,000	0,362	0,397
Job satisfaction (Y1)	0,559	0,748	0,742	0,347	1,000	0,780
Employee performance (Y2)	0,623	0,789	0,671	0,397	0,780	1,000

Source : data processing

The inner model evaluation result based on q-square predictive relevance obtained 0,863 or 86,3%. This value can be interpreted as the informations in the data is 86,3%. It can be explained through the model, the rest 13,7% explained by the error and other variables that is not contained on this research. The Q-Square predictive relevance value criteria categorized as relevant predictive if the q-square value >0 , otherwise of the q-square value <0 means that the model is less relevant predictive.

Hypothesis test

Table 4 showed the result of hypothesis test that mentioned the whole received hypothesis. This test informed that the support towards H1 (T-Statistic $> 1,96$; $\beta=0,705$) mean the compensation has significant positive impact towards the job satisfaction. The work environment significantly has a positive impact towards the job satisfaction so H2 (T-Statistic $> 1,96$; $\beta=0,235$) is supported. The compensation is found significantly with positive impact towards the employee performance so H3 (T-Statistic $> 1,96$; $\beta=0,243$) is accepted. The work environment significantly has a positive impact towards the employee performance so H4 (T-Statistic $> 1,96$; $\beta=0,172$) is accepted. The last hypothesis, H5 (T-Statistic $> 1,96$; $\beta=0,540$) is accepted, shows job satisfaction in significant with positive impact towards employee performance.

Table 4: The result of direct effect test

Relations between Variable	Path	T-Statistic	Hypothesis	Information
Compensation (X ₁) => Job satisfaction (Y ₁)	0,705	13,198	H1	Support
Work environment (X ₂) => Job satisfaction (Y ₁)	0,235	3,441	H2	Support
Compensation (X ₁) => employee performance (Y ₂)	0,243	2,276	H3	Support
Work environment (X ₂) => employee performance (Y ₂)	0,172	2,265	H4	Support
Job satisfaction (Y ₁) => employee performance (Y ₂)	0,540	4,413	H5	Support

Source : data processing

The role of mediation:

Hair et al., (2010) has given the guidelines to check the role of variable mediation such as; (a) to check the direct impact of independent variable towards dependent variable to the model by involving the mediation variable. (b) To check the independent variable impact towards the dependent variable to the model without involving the mediation variable, (c) to check the independent variable impact towards mediation variable, (d) to check the mediation variable impact towards dependent variable.

There is one variable, which mediated the compensation impact and work environment towards employee performance that is job satisfaction. Table 5 shows the result, significantly job satisfaction which act as partial mediation based on characteristics; independent variable impact towards the mediation variable (c) and the mediation variable impact towards the dependent variable (d) are significant, the direct independent variable impact towards the dependent to the model by involving the job satisfaction mediation variable (a) is significant, and direct independent variable impact towards the dependent without involving the job satisfaction mediation variable (b) is significant, so the job satisfaction variable has a role as partial mediation.

Table 5: The recapitulation of result of the mediation variable tests

Job Satisfaction Mediation Variable	(a)	(b)	(c)	(d)	Information
Compensation (X1) → Employee Performance (Y2)	0,243 (Sig)	0,624 (Sig)	0,705 (Sig)	0,540 (Sig)	Partial Mediation
Work Environment (X2) → Employee Performance (Y2)	0,172 (Sig)	0,299 (Sig)	0,235 (Sig)	0,540 (Sig)	Partial Mediation

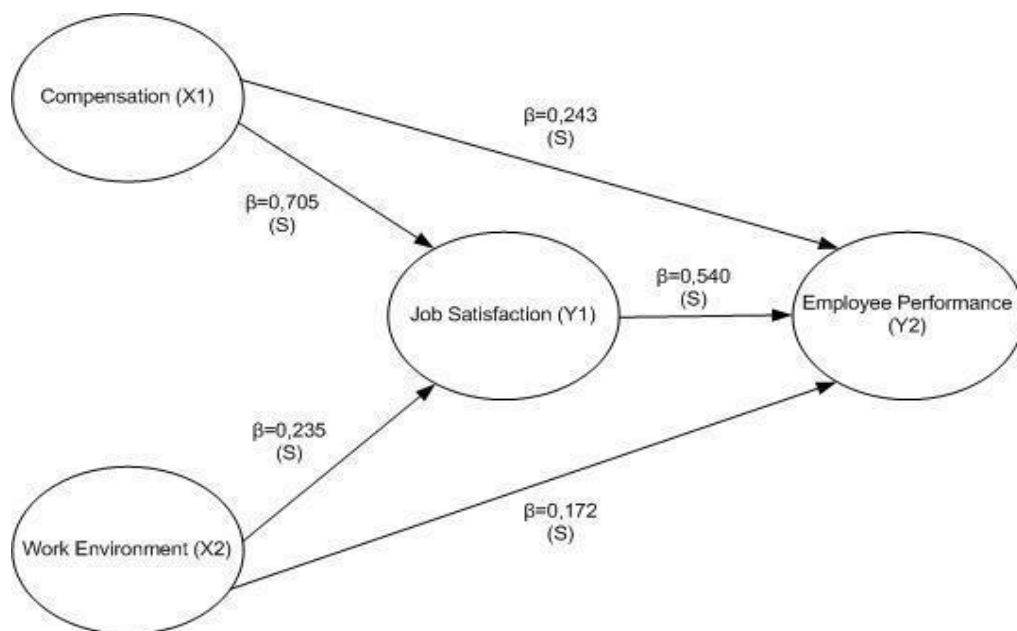
Information: Significant (Sig) = T-statistic > 1.96 to α : 5%

5. DISCUSSION

The whole hypotheses supported this research so it strengthen the result of the previous empirical studies. the compensation has been proved to have significant positive impact towards the job satisfaction is supported some previous various findings by Sopiah (2013), Yaseen (2013), Muguongo, et al. (2015), Salisu, et al. (2017) and Mabaso and Dlamini (2017). this result is also supported the findings by Muhammad, et al. (2015), Salunke (2015), Raziq and Maulabakhsh (2015), Chieze, et al. (2017), Agbozo, et al. (2017) and Bhanu and Babu (2018) which shown that work environment has direct impact towards job satisfaction. the compensation has been proved to have significant positive impact towards job satisfaction as it found by Hameed, et al. (2014), Njoroge and Kwasira (2015) and Aslam, et al. (2015). And so the previous findings by Mathews and Khann (2016), Lankeshwara (2016), Chandra and Priyono (2016) and Riyanto, et al. (2017) that work environment has positive significant impact towards the employee performance. And also the result of this research is supported the findings by Fadlallh (2015), Ndulue and Ekechukwu (2016) and Octaviannand, et al. (2017) which stated that the job satisfaction has significant positive impact towards employee performance.

The role of mediation of job satisfaction is very important to create better performance. It is very important to consider how the compensation impact and work environment towards the job satisfaction to increase the performance to keep the employees. This result supported the previous findings by Widodo (2014), Baledi and Al. Saed (2017), Darma (2017) and Kusumadewi et al. (2018) which shown the job satisfaction has a mediation effect towards the compensation impact and work environment to the performance.

Based on the hypotheses test result, then a result model can be drawn such as below:



Information: (NS) = Non Significant, (S) = Significant

Figure 1: Research Model Result

6. CONCLUSIONS

A number of important conclusion and also as the feedback for managerial decision. The job satisfaction is very important to be considered in the decision-making even though it has partially mediation effect to create a better performance. the work environment and compensation are important considerations.

Limitations and future lines of research:

A number of limitations can be pointed in this research such as; this research used limited sample on a company so the ability to generalize and validate the result is very limited. the next research is suggested to use some similar companies so it can explains the wider meaning.

REFERENCES

- [1] Agbozo, G. Kafui; Owusu, I. Sakyi; Hoedoafia, Mabel A.; Atakorah, Y. Boateng. (2017). The Effect of Work Environment on Job Satisfaction: Evidence from the Banking Sector in Ghana. *Journal of Human Resource Management, Vol. 5(1), pp. 12-18.*
- [2] Agustinarsih, H. Nur; Thoyib, Armanu; Djumilah H.; Noermijati, Noermijati. (2017). The Effect of Remuneration, Job Satisfaction and OCB on the Employee Performance. *Science Journal of Business and Management, Vol. 4, no. 6, pp. 212-222.*
- [3] Aslam, Ayesha; Ghaffar, Amna; Talha, Tahleel; Mushtaq, Hina. (2015). Impact of Compensation and Reward System on the Performance of An Organization: An Empirical Study on Banking Sector of Pakistan. *European Journal of Business and Social Sciences, Vol. 4, no. 2.*
- [4] Baledi, M. and Al. Saed, R. (2017). The Impact of Compensation on Improving Employees Performance Through Job satisfaction in Jordanian Newspaper. *International Journal of Business Quantitative Economics and Applied Management Research, Vol. 4, issue 5.*
- [5] Bhanu, M.V.V.; dan Sai Babu, P.C. (2018). Impact of Work Environment and Job Stress towards Job Satisfaction. *IOSR Journal of Business and Management (IOSR-JMB), Vol. 20, Issue 2, pp. 01-07.*
- [6] Chandra, Teddy; dan Priyono. (2016). The Influence of Leadership Style, Work Environment and Job Satisfaction of Employee Performance – Studies in the School of SMPN 10 Surabaya. *International Education Studies, Vol. 9, no. 1.*
- [7] Chieze, Anthony; Kabouh Margret N.; Adeoye, Itunuoluwa A.; Egwuowu, Clara O. (2017). Working Environment and Employees' Job Satisfaction in Nigerian Banks. *International Journal of Development Strategies in Humanities, Management and Social Sciences, Vol. 7, no. 1.*
- [8] Chin, W.W. (1998). The partial least squares approach for structural equation modeling. in G. A. Marcoulides (Ed.), *Modern methods for business research* (pp.295-236). Londong: Lawrence Erlbaum Associates.
- [9] Darma, Prayoga S. dan Supriyanto, Achmad S. (2017). The Effect of Compensation and Employee Performance. *Management and Economics Journal (MEC-J), Vol. 1 (1).*
- [10] Davis, K.; and Newstorm, J. W. (2008). *Perilaku Dalam Organisasi*. Jakarta: PT Erlangga.
- [11] Fadlallah, Abdul W. A. (2015). Impact of Job Satisfaction on Employees Performance an Application on Faculty of Science and Humanity Studies University of Salman Bin Abdul-Aziz-Al Aflaj. *International Journal of Innovation and Research in Educational Science, Vol. 2, issue 1.*
- [12] Fornell, C.G. and Larcker, D.F. (1981), "Evaluating structural equation models with unobservable variables and measurement error", *Journal of Marketing Research, Vol. 18 No. 1, pp. 39-50.*
- [13] Hair, J., Black, W. Babin, B., Anderson, R., and Tatham, R. (2006). "Multivariate Data Analysis (6th Ed.)". Uppersaddle River, New Jersey, *Pearson Prentice Hall.*
- [14] Hair, J.F., Ringle, C.M. and Sarstedt, M. (2011), "PLS-SEM: indeed a silver bullet", *Journal of Marketing Theory and Practice, Vol. 19 No. 2, pp. 139-151*

- [15] Hair, Joe F, Jr; Sarstedt, Marko; Hopkins, Lucas; Kuppelwieser, Volker G. 2014. Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research, *European Business Review*, Vol.26, Iss: 2, pp. 106-121
- [16] Hameed, Abdul; Ramzan, Muhammad; Zubair, Hafiz M. Kashif; Ali, Ghazanfar; Arslan, Muhammad. (2014). Impact of Compensation on Employee Performance (Empirical Evidence from Banking Sector of Pakistan). *International Journal of Business and Social Science*, Vol. 5, no. 2.
- [17] Hasibuan, M. S. P. (2009). *Manajemen sumber daya manusia*, Edisi Revisi. Jakarta: PT. Bumi Aksara.
- [18] Henseler, J., Ringle, C.M. and Sinkovics, R.R. (2009), "The use of partial least squares path modeling in international marketing", *Advances in International Marketing*, Vol. 20, pp. 277-320
- [19] Irawan, Prasetya. (2000). *Manajemen Sumber Daya Manusia*, STIA-LAN Press, Jakarta.
- [20] Kusumadewi, Ni Putu R.; Sudja, I Nengah; Sujana, I Wayan. (2018). The Influence of Leadership Style, Work Environment on Job Satisfaction and Employee Performance at PT. Khrisna Multi Lintas Cemerlang. *International Journal of Contemporary Research and Review*, Vol. 9, issue. 03.
- [21] Lankeshwara P. (2016). A Study on the Impact of Workplace Environment on Employee's Performance: with Reference to the Brandix Intimate Apparel-Awissawella. *International Journal of Multidisciplinary Studies (IJMS)*, Vol. 3, issue 1.
- [22] Mabaso, C. Mzwenhlanhla; dan Dlamini, Bongani Innocent. (2017). Impact of Compensation and Benefits on Job Satisfaction. *Research Journal of Business Management*, Vol. 11(2), hal. 80-90.
- [23] Malhotra N (2007) Marketing research: an applied orientation, 5th edn. *Pearson Education*, New Delhi
- [24] Mangkunegara, A. A. A. P. M. (2013). *Manajemen Sumber Daya Manusia*. Cetakan Ketujuh. Bandung: PT Remaja Rosdakarya.
- [25] Mardiana. (2005). *Manajemen Produksi*. Jakarta: Badan penerbit IPWI.
- [26] Mathews, Christopher; dan Khann, I. K. (2015). Impact of Work Environment on Performance of Employees in Manufacturing Sector in India: Literature Review. *International Journal of Science and Research (IJSR)*, Vol. 5, issue 4.
- [27] Muguongo, M. Makena; Muguna, Andrew T.; Muriithi, Dennis K. (2015). Effects of Compensation on Job Satisfaction Among Secondary School Teachers in Maara Sub – County of Tharaka Nithi County, Kenya. *Journal of Human Resource Management*, Vol. 3 (6), pp. 47-59.
- [28] Muhammad, Ghulam; Rehaman, Shafiq-ur-; Ahmed, Nadeem. (2015). Impact of Work Environment on Teachers' Job Satisfaction A Case Study of Private Business Universities of Pakistan. *European Journal of Business and Management*, Vol. 7, no. 13.
- [29] Ndulue, T. Ifeyinwa; dan Ekechukwu H. Chinonso. (2016). Impact of Job Satisfaction on Employees Performance: A Study of Nigerian Breweries PLC Kaduna State Branch, Nigeria. *Kuwait Chapter of Arabian Journal of Business and Management Review*, Vol. 5, no. 11.
- [30] Ni Kadek Suryani, Made Wardana, Desak Ketut Sintaasih, Ida Bagus Ketut Surya, 2017, Human Resources Management Practice and Organizational Performance (case study of Line Manager Support in Star-Hotel Bali Indonesia), *International Business Management* 11 (7), 1523-1531
- [31] Njoroge, Sheila Wambui; dan Kwasira, Josephat. (2015). Influence of Compensation and Reward on Performance of Employees at Nakuru County Government. *IOSR Journal of Business and Management*, Vol. 17(11), pp. 87-93.
- [32] Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). New York: McGraw-Hill.
- [33] Octaviannand, Ramona; Pandjaitan, Nurmala K.; Kuswanto, Sadikin. (2017). Effect of Job Satisfaction and Motivation towards Employee's Performance in XYZ Shipping Company. *Journal of Education and Practice*, Vol. 8, no. 8.

- [34] Onsardi; Asmawi, Moch.; Abdullah, Thamrin. (2017). The Effect of Compensation, Empowerment, And Job Satisfaction On Employee Loyalty. *International Journal of Scientific Research and Management (IJSRM)*, Vol. 05.
- [35] Raziq, Abdul; and Maulabakhsh, Raheela. (2015). Impact of Working Environment on Job Satisfaction. *Procedia Economics and Finance* 23, hal. 717-725.
- [36] Rivai, V.; and Sagala, E. J. (2011). *Manajemen sumber daya manusia untuk perusahaan: dari teori ke praktik*. Edisi ke-2. Jakarta: PT. Raja Grafindo Persada.
- [37] Riyanto, Setyo; Sutrisno, Adi; Ali, Hapzi. (2017). The Impact of Working Motivation and Working Environment on Employees Performance in Indonesia Stock Exchange. *International Review of Management and Marketing*, Vol. 7, issue 3.
- [38] Rizal, Muhamad; Idrus, M. Syafie; Djumahir; Mintarti, Rahayu. (2014). Effect of Compensation on Motivation, Organizational Commitment and Employee Performance (Studies at Local Revenue Management in Kendari City). *International Journal of Business and Management Invention*, Vol. 3(2), pp. 64-79.
- [39] Robbins and Judge. (2008). *Perilaku Organisasi*. Edisi Duabelas. Jakarta: Salemba Empat.
- [40] Robbins, S. P. (2006). *Perilaku Organisasi*. Edisi Kesepuluh. Jakarta: PT Indeks Kelompok Gramedia.
- [41] Salisu, Jamilu B.; Chinyio, Ezekiel; Suresh, Subhasini. (2015). The Impact of Compensation on the Job Satisfaction of Public Sector Construction Worker of Jigawa State of Nigeria. *The Business and Management Review*, Vol. 6, no. 4.
- [42] Salunke, Ganesh. (2015). Work Environment and Its Effect on Job Satisfaction in Cooperative Sugar Factories in Maharashtra, India. *Abhinav International Monthly Referred Journal of Research in Management & Technology*, Vol. 4, issue 5.
- [43] Samson, Gitahi N.; Waiganjo, Maina; Koima, Joel. (2015). Effect of Workplace Environment on the Performance of Commercial Banks Employees in Nakuru Town. *International Journal of Managerial Studies and Research*, Vol. 3(12), pp. 76-89.
- [44] Sedarmayanti. (2009). *Sumber Daya Manusia dan Produktivitas Kerja*. Jakarta: Mandar Maju.
- [45] Sedarmayanti. (2011). *Manajemen Sumber Daya Manusia, Reformasi Birokrasi dan Manajemen Pegawai Negeri Sipil*. Bandung: PT. Refika Aditama.
- [46] Sedarmayanti. (2014). *Sumber Daya Manusia dan Produktivitas Kerja*. Jakarta: Mandar Maju.
- [47] Sedarmayanti. (2015). *Manajemen Sumber Daya Manusia*. Bandung: Refika Aditama.
- [48] Sopiah. (2013). The Effect of Compensation toward Job Satisfaction and Job Performance of Outsourcing Employees of Syariah Banks in Malang Indonesia. *International Journal of Learning & Development*, Vol. 3, no. 2.
- [49] Sugiyono. (2014). *Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif Dan R&D*. Bandung: Alfabeta.
- [50] Suryani Ni Kadek, Gede Agus Dian Maha Yoga, Ida Ayu Putu Widani Sugianingrat, 2018 Impact of Human Resources Management Practice on Employee Satisfaction and Customer Satisfaction (case study SMEs in Bali, Indonesia), *International Journal of Sustainability, Education and Global Creative Economic*, Vol 1, November 2018, pp; 56-62
- [51] Widodo, Djoko Setyo. (2014). Influence of Leadership and Work Environment to Job Satisfaction and Impact to Employee Performance (Study on Industrial Manufacture in West Java). *Journal of Economics and Sustainable Development*, Vol. 5, no. 26.
- [52] Yamoah, Emmanuel E. (2014). Exploratory Analysis of Compensation and Employee Job Satisfaction. *Developing Country Studies*, Vol. 4, no. 12.
- [53] Yaseen, Ayesha. (2013). Effect of Compensation Factors on Employee Satisfaction – A Study of Doctor's Dissatisfaction in Punjab. *International Journal of Human Resource Studies*, Vol. 3, no. 1.

APPENDIX - A

Appendix A: A picture of PLS process result

