

JOB SATISFACTION AS A MEDIATOR: ANALYZING THE IMPACT OF COMPENSATION AND WORK-LIFE BALANCE ON EMPLOYEE PERFORMANCE AT PT. JASA RAHARJA MALANG BRANCH

¹Susilowati, ²Eny Lestari Widarni, ³Dennis Patrick Faber Kurnia

¹STIE Cendekia Bojonegoro

^{2,3}STIE Jaya Negara Tamansiswa Malang

ABSTRACT

This study aims to determine and explain the effect of compensation and work-life balance on employee performance at PT. Jasa Raharja (Persero) Malang Branch, both directly and through job satisfaction. This study used a sample of 95 employees from PT. Jasa Raharja Malang Branch and a census research method. The data analysis method used was Partial Least Square (PLS), which was implemented through SmartPLS software to overcome the problem of normality and small sample size. The results of the study indicate that compensation can improve employee performance by reducing stress and boredom due to work fatigue. In addition, a good work-life balance also contributes positively to employee performance, especially when employees can manage the demands of their work and personal lives. Compensation is proven to improve employee performance through increased job satisfaction, while work-life balance does not provide a significant contribution to performance through job satisfaction.

Keywords: Compensation, Work-Life Balance, Performance, Job Satisfaction

INTRODUCTION

Employee performance is a fundamental element that determines the success and competitiveness of an organization, both in the public and private sectors. At PT. Jasa Raharja (Persero) Malang Branch, employee performance is a central issue because it is directly related to operational effectiveness and efficiency in public services. Procurement of goods and services that are timely, high-quality, and in accordance with the budget ceiling significantly impacts the smooth operation of services and the institution's credibility in the public eye.

With the advancement of globalization and the rapid development of information technology, the public increasingly demands fast, transparent, and accountable services. This presents a significant challenge for institutions like PT. Jasa Raharja Malang Branch, which is required to continuously adapt and transform its performance, including in the management of its human resources. Organizations are required to have a management system that is adaptive to change, and human resources capable of carrying out tasks professionally and with a results-oriented approach.

However, in practice, several issues remain that could potentially hinder improved employee performance. These include imbalanced workloads between units, which leads to uneven work pressure and employee burnout. Furthermore, high absenteeism and increased employee turnover in some departments indicate issues with human resource management, such as lack of motivation or dissatisfaction with the work environment. The lack of ongoing training and development also hinders

improving employee competency and skills.

Another problem is the lack of synergy between work units, which leads to miscommunication and hinders coordination in task execution. This is exacerbated by resistance to innovation and digitalization, with some employees still unprepared or unfamiliar with technology-based work systems. The implementation of procurement information systems, which should help speed up processes, is often not utilized optimally due to low digital literacy. High levels of work stress, caused by performance demands, pressure from superiors, and limited resources, are also among the triggers for declining employee productivity.

Furthermore, the mismatch between workload and compensation received is also a source of dissatisfaction. Compensation that is perceived as not reflecting responsibility and performance achievements creates a feeling of unappreciation among employees. When employees feel that their efforts are not commensurate with the rewards they receive, morale tends to decline, and this directly impacts the quality of public services.

In this context, job satisfaction is a crucial variable to consider. Job satisfaction not only creates a comfortable work environment but also influences employee loyalty, morale, and overall performance effectiveness. Employees who are satisfied with their work environment, relationships with colleagues and superiors, and the recognition they receive for their performance will be more committed to providing their best for the organization.

Thus, addressing these various issues requires a more strategic and integrated managerial approach. Efforts such as improving the compensation system, increasing competency-based training, adjusting workload proportions, and strengthening a performance-based work culture can be important steps in improving employee performance at PT Jasa Raharja (Persero) Malang Branch.

The implementation of compensation as a reward for employees is a form of independence, and also a leadership responsibility in increasing job satisfaction. Rivai, et al. (2020) explained that a person acts something (in an effort to achieve goals or fulfill responsibilities) tends to be due to the expected results to be obtained. With compensation, it is hoped that there will be a fair and appropriate employee salary system. The amount of the basic salary is based on the weight of the position. Civil servant salaries are also based on a balanced composition pattern between the basic salary and allowances and compensation. Improvement of employee welfare is linked to individual performance and employee performance.

Compensation is feedback received by employees for the contributions they have made to the organization where they work. Compensation policy is one of the keys for organizations to maintain employee performance and improve the quality of employee performance. Employee satisfaction will grow by itself with the provision of sufficient compensation. If employees feel satisfied, they will work wholeheartedly. Conversely, if employees feel dissatisfied with something that has been given by the organization, this will have an impact on employee performance productivity and give rise to various complaints such as absence from work to strikes, completing work as they please and so on.

The problem that arises is the mismatch between compensation and the workload. Workload refers to the process by which a person completes the tasks of a job or group of positions within a specific timeframe (Minister of Home Affairs Regulation, 2008). Heavy workloads and job stress can lead to reduced productivity and

job satisfaction (Chu, Hsu, Price, & Lee, 2019). If this problem persists, it will eventually lead to productivity issues for the university organization itself (Yamoah, 2021).

Therefore, to reduce the workload in an organization, work life balance is needed, or a balance between work and social life, the workload in the company where the employee works and leadership style which is one way in which someone leads in an organization in order to provide maximum performance for the organization, where employees will have an optimal quality of life both in their work and in their daily lives outside of work.

Work-life balance is an important factor that companies need to consider when developing policies to maintain employee performance. Work-life balance is a concept that balances ambition or career with happiness, leisure time, family, and spiritual development (Weckstein, 2008: 10).

Balancing work and personal life is often a challenge for employees (Wambui et al., 2019). If work-life balance is not managed well by a company, it will impact both the employee and the company. This is evidenced by the results of research conducted by Cahil et al. (2020) that if the work demands given to employees that they spend more time at work and less time spent at home, it will affect their work-life balance. According to Scholarios & Marks (2020), work-life balance plays an important role in determining employee attitudes towards the company and their personal lives. One factor that can affect employee performance is the degree to which a balance between work and personal life can be achieved. The performance produced by employees who achieve a balance between personal life and work life usually has a much better level of performance.

Work-life balance refers to individuals having sufficient time to balance their work and personal lives, such as spending time with family members, having free time to relax, having good communication with coworkers, and being able to complete their work well (Vyas & Shrivastava, 2019). Meanwhile, according to Rifadha et al. (2019), work-life balance is an individual's capability to fulfill their work duties and demands from outside the workplace, and this makes the individual happy. Work-life balance is also a way for employees to have a healthy and beneficial lifestyle, so that it can influence their performance improvement (Larasati et al., 2019). This is in accordance with research conducted by Dina (2018), which shows that each dimension of work-life balance has a partial or simultaneous influence on employee performance. In a family environment, when people experience an imbalance between their personal and work lives, it will threaten the main pillars of their lives. In addition, the decreasing attention of companies to work-life balance will cause employees to look for ways to meet their individual needs. Often, these circumstances conflict with the interests of the organization and disrupt social interactions within the work environment. Work-life balance is defined as satisfaction and functioning well at work and at home, with minimal role conflict.

According to research conducted by Aslam (2020), Saina et al. (2020), Johari et al. (2018), Soomro et al. (2018), Isse et al. (2018), Rene & Wahyuni (2018), Bataineh (2019), and Dousin et al. (2019), work-life balance has a significant positive effect on employee performance. When employees are highly satisfied with their work-life balance, this can improve the quality of their performance.

To strengthen this research, the researcher used an intervening variable. According to Sugiyono (2020: 39) an intervening variable is a connecting variable,

which theoretically influences the relationship between the independent variable and the dependent variable, becoming an indirect relationship and cannot be observed and measured. The intervening variable used in this study is job satisfaction. According to Anoraga (2001) job satisfaction is an employee's assessment of the overall job whether it satisfies their needs or not. The success of an organization is influenced by the sense of satisfaction felt by employees. With good job satisfaction will result in increased employee performance. This occurs because employees who feel satisfied will prioritize their work and consider their work as something enjoyable. In an organization, job satisfaction is influenced by the compensation given, salary, fulfillment of a sense of security and comfort in the work given to employees and so on. If what employees get is in accordance with what is expected, job satisfaction will arise (Zainal et al., 2020: 620-621).

In addition to work-life balance, satisfaction can also affect individual performance (Saina et al., 2020). Job satisfaction is generally defined as an emotional response to an individual's performance appraisal (Wen et al., 2018). Job satisfaction can also be a factor that can support individuals to be able to work better (Maslichah & Hidayat, 2019). Job satisfaction is related to an individual's feelings regarding various aspects and characteristics related to their work (Bataineh, 2019). The elements of job satisfaction according to Newstrom (2020:233) are job content (nature of work) and job context (supervisor, coworkers, organization). The results of research by Valaei & Jiroudi (2020), Sari (2020), Utami et al. (2019), Sinaulan et al. (2019), Isse et al. (2018), Yuen et al. (2018), Mokalulu et al. (2019), Mahmood (2019), Mira et al. (2019), and Sabuhari et al. (2020), stated that job satisfaction has a significant positive relationship with employee performance.

Based on the results of the performance accountability evaluation, the following graph shows the level of implementation of performance accountability at PT. Jasa Raharja (Persero) Malang Branch: showing that from Performance Planning with a target of 30%, the realization was 21.75%. Meanwhile, for Performance Measurement with a target of 25%, the realization was 21.88%. Performance Reporting with a target of 15%, the realization was 10.15%. Performance Evaluation with a target of 10%, the realization was 6.31%. Meanwhile, for the Achievement of Targets/Organizational Performance, the target set was 20% with a realization of 18.75%.

The Performance Evaluation Value is still not optimal, especially in terms of efficiency, consistency and budget absorption, so it needs to be improved by optimizing coordination between work units related to the implementation of programs/activities including planning mechanisms, performance agreements, performance measurement, performance data management, and performance reporting as well as performance reviews and evaluations at PT. Jasa Raharja (Persero) Malang Branch in accordance with applicable provisions.

Problems that are the main cause of low budget absorption and efficiency include the slow implementation of activities as a result of resource competence, planning and careful decision makers (Aini, 2020). This problem occurs due to the mismatch of Compensation with the workload given will cause lecturers in completing the tasks of a job or group of positions carried out in a certain period of time will experience a decline. Work performance is a measurement that shows the consideration between input and output issued by the company and the role of the workforce owned by the unit of time. The performance of an organization can be seen from how effective the products and services are, and how the service is passed on to customers. Work

performance can be used as an indicator of the success of a company or individual so that it can be a benchmark for improving future performance (Sutrisno, 2020).

This is also supported by a research gap regarding the influence of work-life balance on employee performance. The research results Mardiani & Widiyanto, (2021), Sarmijan et al., (2022), Widayanti & Sijabat, (2022), Naililmuna (2022), Valery et al., (2023), Arianti et al., (2022), Puspitasari, 2020, Ayuni et al., (2023) Tangkeallo, (2018) (Putri & Hadi, 2024) And (Lukmiati, 2020) shows that work-life balance has an impact on employee performance. These results differ from the results of the previous study. Wahyu et al., (2021) which states that work life balance does not significantly influence employee performance. This statement is supported by research Auliya et al., (2022), Mwangi et al., (2020) and Rafsanjani et al., (2019) who said that work-life balance does not affect employee performance, this is because they receive appropriate services at work, so that personal or family problems do not impact employee performance, research results (Zerlina, 2024) also shows results that work-life balance does not affect employee performance

Compensation

Compensation is one of the external factors that influence efforts to improve employee performance. Compensation is a form of compensation or reward given for employee performance or work achievements. In other words, Compensation is an award in the form of additional income given to employees to increase their work enthusiasm (Najoan, 2018:12). This additional income aims to improve employee welfare based on work performance, place of duty, working conditions, and the scarcity of the profession. Compensation is given to civil servants and prospective civil servants, with the hope of enforcing discipline and improving employee performance in providing services to agencies and the community, as well as improving the welfare of civil servants (Government Regulation Number 58 of 2021 concerning Regional Financial Management in Article 63, in Najoan, 2018). Hardani (2020:25) explains that Compensation (incentives) is a form of direct reward given to employees when their performance exceeds the specified standards. This system is another form of direct wages that is different from a fixed salary, which is called a performance-based compensation system.

Employees who are absent from work without permission will be subject to compensation deductions with the following provisions: first, absent from work without permission for 15 working days or less is deducted by 3% for each day; second, absent from work without permission for more than 16 working days is deducted by 100%; and third, absent from work with permission is deducted by 2.5% for each day. The compensation observed in this study refers to Presidential Regulation Number 103 of 2018, which includes family allowances, position allowances, professional allowances, side dish allowances, and special allowances within the Indonesian National Police.

Work-life Balance

Work-life balance is defined as a worker's efforts to balance work and personal or family life to achieve a harmonious and satisfying life (Rumangkit & Zuriana, 2019). This concept encompasses a balance between work and personal life that can increase individual satisfaction (Bataineh, 2019; Wolor, 2020). Work-life balance relates to engagement in work roles and personal life, which enables harmony in life (Pratiwi et al., 2021).

Yadav & Rani (2020) explain that work-life balance encompasses a balance between work and personal life, stress management, increased productivity, and improved work quality. A good work-life balance can increase job satisfaction and reduce negative impacts on health. Al-Alawi et al. (2021) add that workplace conflict can disrupt this balance, which in turn can lower morale and job satisfaction. Therefore, it is important for companies to create policies that support this balance to increase employee productivity.

Overall, work-life balance is an effort to achieve a healthy balance between work responsibilities and personal life, which contributes to a more harmonious life and better performance at work. Organizational policies that support work flexibility are crucial to achieving this balance (Mayessha, 2019).

Job satisfaction

Job satisfaction is a form of a person's feelings towards their work, work situation and relationships with coworkers, thus job satisfaction is something important for an employee to have, where they can interact with their work environment so that work can be carried out well and in accordance with organizational goals.

According to Sutrisno (2019), job satisfaction is an employee's attitude toward work related to the work situation, cooperation between employees, rewards received in work, and matters relating to physical and psychological factors. According to Wibowo (2020), everyone who works expects satisfaction from their workplace. Job satisfaction will affect productivity, which is highly desired by managers. Therefore, managers need to understand what must be done to create job satisfaction for their employees.

For organizations, a discussion of Job Satisfaction will involve efforts to increase organizational effectiveness by improving employee behavior at work. Employee behavior that supports the achievement of organizational goals is another aspect that must be considered, in addition to the use of modern machines resulting from technological advances. Employee dissatisfaction with work will result in a situation that is unfavorable for both the organization and the individual. Job dissatisfaction can lead to aggressive behavior, or conversely, a withdrawal from social contact. For example, by quitting the company, being truant, and other behaviors that tend to avoid organizational activities. Forms of aggressive behavior include sabotage, deliberately making mistakes at work, defying superiors, or even going on strike. From the description above, employee job satisfaction is a crucial issue to consider in relation to employee performance, and dissatisfaction is often associated with high levels of job demands and complaints. Workers with high levels of dissatisfaction are more likely to engage in sabotage and passive aggression.

Performance.

Performance can influence the ongoing activities of an organization, the better the performance shown by employees, the more it will help the development of the organization. Performance is the level of achievement of results from the execution of specific tasks. Performance management is the overall activity undertaken to improve employee performance, including the performance of each individual and work group within the organization. Individual, group, and employee performance are influenced by many internal and external factors within the organization.

Nurjaya (2021) states that performance is the level of achievement of results from carrying out specific tasks. Company performance is the level of achievement of results in order to realize company goals. Putri (2021) states that performance is the

results of an individual's or group's work functions within an organization over a specific period of time, reflecting how well that individual or group fulfills job requirements in an effort to achieve organizational goals. Performance is the achievement of organizational goals that can be manifested in the form of quantitative or qualitative output, creativity, flexibility, reliability, or other things that may be desired by the organization. The emphasis on performance can be short-term or long-term, and also at the individual, group, or organizational level. Individual performance contributes to group performance, which in turn contributes to organizational performance. (Fariyani, Pertiwi, and Anwar: 2023)

RESEARCH METHODS

This type of research, according to its method, is quantitative research (causal relationships), which examines the causal relationship between independent and dependent variables. Quantitative research is a type of research whose specifications are systematic, planned, and clearly structured from the beginning to the development of the research design. Another definition states that quantitative research is research that heavily relies on numbers, from data collection, interpretation, and presentation of the results (Sugiyono, 2020:55).

Population and Sample

A population is a generalized area consisting of objects or subjects that have certain quantities and characteristics determined by the researcher to be studied and then conclusions drawn (Sugiono, 2019). The population used in this study was 95 employees of PT. Jasa Raharja Malang Branch.

A sample is a part of a population, which has the same characteristics and traits as the population, therefore a sample must be representative of a population, (Sujarweni, 2019) The research method used is census research because all members of the population are research samples, so the sample size is 95 employees of PT. Jasa Raharja Malang Branch

Data Analysis Methods

This study uses the Partial Least Square (PLS) data analysis method, which is an approach in variance-based Structural Equation Modeling (SEM). PLS aims to develop theory and explain the relationship between latent variables. In this study, SmartPLS was used for analysis, with bootstrapping techniques to address normality issues and accommodate small samples. The PLS analysis process consists of two sub-models: the measurement model (outer model) and the structural model (inner model). Validity testing is carried out through convergent validity, discriminant validity, and reliability using Cronbach's Alpha and Composite Reliability. In the structural model, testing is carried out through the R-Square value to assess predictive power, as well as testing path coefficients and significance using bootstrapping. In addition, hypothesis testing is carried out using intervening regression analysis to identify direct and indirect effects between variables. A significant decision is taken if the p-value is <0.05 .

RESEARCH RESULTS AND DISCUSSION

Data analysis

PLS Model

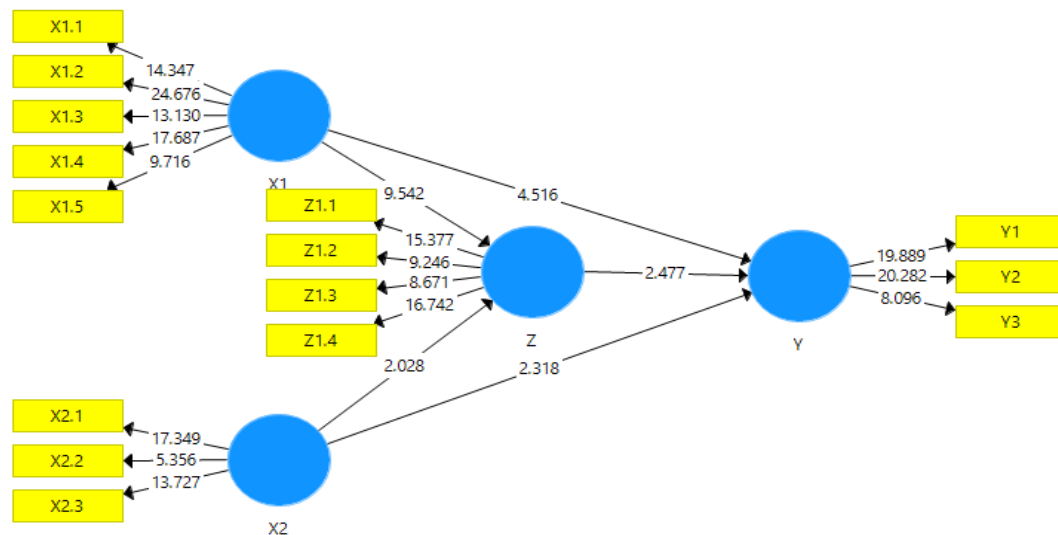


Figure 1. PLS Model

From the PLS output image above, we can see the magnitude of the factor loading value for each indicator which is located above the arrow between the variable and the indicator. We can also see the magnitude of the path coefficients which are above the arrow line between the exogenous variables, namely employee performance variables, while the mediating variables in this study are employee satisfaction and the endogenous variables, namely Compensation and Work Life Balance.

Validity Test (Outer Model)

Table 1 Factor Loading Values

	Compensation (X1)	Satisfaction Work (Z)	Performance Employee(Y)	Work-Life Balance(X2)
X1.1	0.755			
X1.2	0.816			
X1.3	0.719			
X1.4	0.793			
X1.5	0.696			
X2.1				0.821
X2.2				0.615
X2.3				0.780
Y1			0.808	
Y2			0.837	
Y3			0.714	
Z1.1		0.738		
Z1.2		0.686		
Z1.3		0.694		
Z1.4		0.805		

Source: Processed Data (2025)

The estimation results from the Outer Loading Table indicate that all indicators have good validity because they have a loading factor of 0.50 and/or more than 0.50. Because the validity test with outer loadings has been met, the measurement model has the potential for further testing.

The next measurement model is the Average Variance Extracted (AVE) value, which indicates the magnitude of the indicator variance contained by the latent variable. Testing with the AVE value is more critical than composite reliability. The recommended minimum AVE value is 0.50.

Table.2. Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Compensation (X1)	0.573
Work Life Balance(X2)	0.536
Employee Performance (Y)	0.621
Job Satisfaction (Z)	0.554

Source: Processed Data (2025)

From Table 2, the test results with AVE values indicate that all constructs have potential validity for further testing. This is because the AVE values for all constructs are greater than 0.50.

Reliability Test

Composite reliability is an index that indicates the extent to which a measuring instrument can be trusted to be reliable. If an instrument is used twice to measure the same phenomenon and the measurement results obtained are relatively consistent, then the instrument is reliable. In other words, reliability indicates the consistency of a measuring instrument in the same phenomenon. The complete results can be seen in the following table.

Table 3. Data Reliability

	Cronbach's Alpha	rho_A	Composite Reliability
Compensation (X1)	0.813	0.819	0.870
Work Life Balance(X2)	0.710	0.715	0.822
Employee Performance (Y)	0.694	0.704	0.831
Job Satisfaction (Z)	0.613	0.659	0.786

Source: Processed Data, 2025

The construct reliability is measured by the composite reliability value. A construct is reliable if the composite reliability value is above 0.70, then the indicator is said to be consistent in measuring its latent variable. The test results show that the research constructs (variables), namely Compensation, Work Life Balance, Job Satisfaction, and Employee Performance, have a composite reliability value greater than 0.7. So it is reliable.

Structural Model Testing (Inner Model)

Inner model or structural model testing is conducted to examine the relationship between variables, the significance value, and the R-square of the research model. After identifying a significant relationship between variables, a hypothesis for customer satisfaction can be formulated. Hypothesis testing is conducted using the bootstrap resampling method. The test statistic used is the t-test (Ghozali, 2008). Structural model testing is conducted by examining the R-square value, which is a goodness-of-fit model test. Inner model testing can be seen from the R-square value of the equation between latent variables. As follows:

Table 4. R-Square

	R Square	R Square Adjusted
Employee Performance (Y)	0.586	0.576
Job Satisfaction (Z)	0.665	0.653

Source: Processed Data, 2025

R² value = 0.586 This can be interpreted that the model is able to explain the phenomenon/problem of Job Satisfaction by 58.60%. While the rest (41.40%) is explained by other variables (besides Compensation, and Work Life Balance,) which have not been included in the model and error. This means that Job Satisfaction is influenced by Compensation, and Work Life Balance, by 68.60% while 41.10% is influenced by variables other than Compensation, and Work Life Balance, R² value = 0.665 This can be interpreted that the model is able to explain the phenomenon/problem of Employee Performance by 66.50%. While the rest (33.50%) is explained by other variables (besides Compensation, Work Life Balance, and Job Satisfaction) which have not been included in the model and error. This means that employee performance is influenced by compensation, work-life balance, and job satisfaction by 66.50%, while 33.50% is influenced by variables other than compensation, work-life balance, and job satisfaction.

Results from Inner Weights

1. Direct Influence

Table 5. Inner Weight

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 -> Y	0.473	0.473	0.103	4,579	0.000
X2 -> Y	0.169	0.169	0.070	2,396	0.017

From the table above, it can be concluded that the hypothesis:

1. Compensation has a significant positive effect on employee performance with a T-statistics value of 4.579 where the p-value = 0.000 is smaller than the α value = 0.05 (5%).
2. *Work Life Balance* has a significant positive effect on employee performance with a T-statistics value of 2.396 where the p-value = 0.017 is smaller than the α value = 0.05 (5%)

2. Indirect Influence

Apart from the direct effect as in the hypothesis testing above, from this modeling we can find out the total effect or indirect effect (through the mediating variable), as in the following total effect table for hypothesis testing with the mediating variable as follows:

Table 6 Total Effects (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 -> Z -> Y	0.179	0.178	0.074	2,416	0.016
X2 -> Z -> Y	0.044	0.045	0.031	1,402	0.161

Source: Processed Data, 2025

From the total effect table above, it can be concluded that the hypothesis:

1. Compensation has a significant effect on employee performance through job satisfaction with a T-Statistics value of 2.416 where the p-value = 0.016 is smaller than the α value = 0.05 (5%).
2. *Work Life Balance* does not have a significant effect on Employee Performance through Job Satisfaction with a T Statistics value of 1.402 where the p-value = 0.161 is greater than the value of $\alpha = 0.05$ (5%)

Discussion

The results of the study indicate that compensation has a positive and significant impact on employee performance. The better the benefits system provided, the higher the motivation and productivity of employees in carrying out their duties. Compensation not only impacts the financial aspect, but also psychological aspects such as job satisfaction, loyalty, and work enthusiasm. Compensation is a form of appreciation for employee contributions and can increase job satisfaction. When employees feel the benefits they receive are commensurate with their contributions, their motivation to work more optimally will increase. Equity Theory states that employees will be motivated if they feel the rewards they receive are commensurate with the effort they put in. In addition to increasing motivation, compensation also plays a role in improving employee discipline and responsibility. Benefits related to individual performance will encourage employees to focus more on their tasks. This can also improve service quality, especially in the public service sector, because employees become more motivated to provide better service.

Compensation can also strengthen teamwork and organizational culture. When benefits are based on team achievements, it encourages closer collaboration among employees. Therefore, it is important for organizations to ensure that the benefits system is fair, objective, and based on tangible achievements. To maintain optimal compensation, organizations need to periodically evaluate their benefits policies, while also considering other factors such as a conducive work environment and career development opportunities. Budget constraints and imbalances in the performance appraisal system can reduce the effectiveness of compensation, so the principles of fairness and transparency must be applied.

The Influence of Compensation on Employee Performance through Job Satisfaction

Research shows that compensation has a positive and significant effect on employee performance through job satisfaction. Job satisfaction is an important factor that strengthens the relationship between compensation and employee performance. Compensation provided fairly and transparently increases employee job satisfaction, which ultimately encourages better performance. According to Herzberg's Two-Factor Theory, extrinsic factors such as benefits and compensation play an important role in increasing job satisfaction. Employees who feel their benefits are commensurate with their contributions will be more satisfied and motivated to increase productivity. High job satisfaction contributes to increased employee discipline, proactivity, and loyalty to the organization. Job satisfaction also improves the quality of services provided to customers or the public, especially in the public service sector.

The mechanism of the relationship between Compensation, job satisfaction, and employee performance involves three steps: improving employee financial well-being, feeling appreciated which increases motivation, and job satisfaction which encourages employees to work more disciplined and productively. Thus, effective Compensation increases both job satisfaction and employee productivity. To optimize the influence of Compensation on employee performance, organizations need to implement fair, achievement-based, and periodically evaluated benefit policies.

The influence of work life balance on employee performance

Research shows that work-life balance (WLB) has a positive and significant impact on employee performance. A balance between work and personal life plays a crucial role in increasing employee productivity, job satisfaction, and well-being. Employees who maintain this balance tend to be more motivated, productive, and loyal to the organization. Conversely, an imbalance can lead to stress, burnout, and decreased performance, as well as increasing employee turnover rates.

Work-life balance involves dividing time and energy between work and personal life, such as family and health. Employees who have flexibility and support from the organization tend to be more enthusiastic in their work and achieve more optimal results. Conversely, excessive workloads without time for rest can reduce performance. Employee productivity is greatly influenced by this balance, as employees who have time to rest are more focused, efficient, and creative in completing tasks. Furthermore, work-life balance increases employee satisfaction and loyalty to the organization, reducing turnover and recruitment costs.

Work-life balance also impacts employees' mental and physical health. Employees who experience stress due to a lack of balance are more likely to face health problems that impact their performance. Therefore, organizations need to support this balance with policies such as flexible working hours, fair leave, and a healthy work environment. In conclusion, a good work-life balance improves employee performance by increasing their productivity, satisfaction, and health. Organizations need to create a work environment that supports this balance so that employees remain healthy, motivated, and can contribute optimally to achieving organizational goals.

The Influence of Work Life Balance on Employee Performance through Satisfaction

Research shows that job satisfaction does not act as a mediator in the influence of work-life balance (WLB) on employee performance. This means that WLB directly impacts employee performance without affecting job satisfaction. Employees with a good work-life balance demonstrate optimal performance, although their levels of job satisfaction vary.

Factors such as good time management, a balanced workload, and organizational support are crucial for improving employee performance. While job satisfaction is crucial for creating a positive work environment, in the context of WLB, job satisfaction is not a strong enough determinant of the relationship between work-life balance and performance. Job satisfaction is more influenced by other factors such as organizational culture, compensation, and career development opportunities.

Organizations need to focus on policies that support employee work-life balance, such as flexible working hours, reduced workloads, and appropriate leave policies. These policies can help employees be more productive without sacrificing their personal lives. In conclusion, WLB has a direct impact on employee performance, while job satisfaction is not a mediating factor. Organizations should focus on creating work-life balance to improve employee performance without relying on job satisfaction levels.

CONCLUSION AND SUGGESTIONS

Conclusion

Based on the research results using PLS analysis, to test the influence of several variables on employee performance, the following conclusions can be drawn:

1. Compensation can improve employee performance. Compensation activities can help employees reduce stress and burnout caused by work fatigue.
2. *Work Life Balance* can improve employee performance. Employees experience a perceived work-life balance when they are faced with company-set targets and must minimize any challenges. When an employee's work-life balance increases, it can reduce their potential performance, and vice versa.
3. Compensation can contribute to improving employee performance through job satisfaction. Companies that provide facilities such as internet access and that do not prohibit occasional, non-business or non-work-related internet use can increase job satisfaction.
4. *Work Life Balance* cannot contribute to improving employee performance through job satisfaction. When employee satisfaction levels are low, employees will make little contribution to the company, and vice versa, when satisfaction levels are high, employees can make the best contribution to the company's progress and can improve performance.

Suggestion

As an implication of the results of this research, several suggestions can be put forward that can be considered or used as material in decision making, including:

1. Companies need to work together to find the best solution to the work demands placed on employees so that employees can perform their jobs well without receiving compensation in the workplace. By creating an Internet Use Policy from company management, internet use in the workplace can be a good solution for

- employee self-development, so proper management is needed for the company in providing and utilizing internet in the workplace.
2. It is hoped that superiors will pay attention to employees who are still receiving compensation and can provide warnings and directions so that employees can use the internet during work hours to access the internet related to work and positive things to foster creativity. Employees are also expected to be more mindful of internet use outside of work hours so that it can be reduced, so that it does not interfere with office obligations. And employees can manage to use the internet for more positive things to increase their creativity at work and produce good and innovative work results.
 3. In subsequent research, researchers can add other variables that can influence employee performance, including work stress, Work Life Balance, compensation,

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