

ABSTRACT

This study aims to determine and analyze the effect of Compensation Satisfaction and Work Environment on Employee Performance with Work Motivation as an intervening variable at PT. Southern Chemicals & Engineering, North Jakarta. The population in this study consisted of all permanent employees, with a total sample of 89 respondents selected using the total sampling technique.

Data were collected through a questionnaire using a five-point Likert scale and analyzed using the SEM-PLS (Structural Equation Modeling–Partial Least Squares) method with the assistance of SmartPLS version 4 software to examine the direct and indirect relationships among variables.

The results of the study indicate that compensation satisfaction has a positive and significant effect on employee performance as well as on work motivation. The work environment has a positive and significant effect on work motivation; however, it does not have a direct significant effect on employee performance. Work motivation has a positive and significant effect on employee performance. Furthermore, work motivation is proven to mediate the effect of compensation satisfaction and work environment on employee performance.

Keywords: Compensation Satisfaction, Work Environment, Work Motivation, Employee Performance

