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The Effect Of Compensation And Work Facilities On Employee Performance Through Job Satisfaction At Danau Teluk District Office, Jambi City

Hendri[1], Fakhrul Rozi Yamali[2], Osrita Hapsara[3]

[1]Student, Master of Economy, Batanghari University, Jambi City, Jambi.
[2,3]Lecturer, Master of Economy, Batanghari University, Jambi City, Jambi.

Abstract

Therefore, this study aims to analyze the effect of compensation and work facilities on employee performance through job satisfaction at Danau Teluk District Office, Jambi City. This study employs theories of compensation, work facilities, job satisfaction, and employee performance. A quantitative research method with a survey approach was used involving 58 employees as respondents. Data were analyzed using path analysis with the assistance of SPSS software. The results indicate that compensation, work facilities, job satisfaction, and employee performance are all categorized as good. Compensation and work facilities have a positive and significant effect on both job satisfaction and employee performance. Furthermore, job satisfaction has a positive and significant effect on employee performance and serves as a mediating variable in the relationship between compensation, work facilities, and employee performance. Based on the findings, it can be concluded that improving compensation and providing adequate work facilities can enhance job satisfaction and employee performance at Danau Teluk District Office, Jambi City. Job satisfaction has been proven to play an intervening role in improving employee performance.

Keywords: Compensation, Work Facilities, Job Satisfaction, Employee Performance of Danau Teluk District.

INTRODUCTION

Human resources play a very important role in an organization because they determine the quality of services, organizational image, public trust, and performance (Subekhi & Jauhar, 2019). Organizational success is not only determined by facilities and infrastructure but also by the competence of human resources in carrying out their duties (Priansa, 2016). Therefore, human resources must be properly managed and developed so that they can provide maximum contributions to the organization, particularly in facing

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increasingly diverse challenges arising from technological developments, environmental conditions, bureaucracy, and organizational demands (Mondy, 2015).

One factor associated with employee performance is compensation. Compensation is provided to fulfill employees' material needs while encouraging them to work better, faster, and in accordance with organizational standards. According to Mangkunegara (2017), compensation is something received by employees as remuneration for the work they provide to an organization, either in financial or non-financial forms. Fair and appropriate compensation can increase employee motivation, job satisfaction, and performance. The amount of compensation also reflects employees' status, recognition, and level of fulfillment of their needs.

Employees of Danau Teluk District, Jambi City, receive compensation in the form of salaries, allowances, and Additional Employee Income (TPP). According to Hasibuan (2020), compensation refers to all income in the form of money or goods received by employees as remuneration for services provided to an organization. The employee expenditure budget of Danau Teluk District increased from IDR 5,704,991,849 in 2020 to IDR 7,226,726,000 in 2025. In addition, TPP for civil servants increased for almost all positions. For example, the TPP for the District Head increased from IDR 6,800,000 in 2020 to IDR 10,702,664 in 2025, while the TPP for Section Heads increased from IDR 2,600,000 to IDR 4,665,102. This condition indicates the government's efforts to improve employee welfare through compensation policies.

Sedarmayanti (2015) states that work facilities include all tools and materials encountered, the surrounding work environment, work methods, and work arrangements, both individually and in groups. Adequate work facilities can provide comfort and support employees in completing their work effectively and efficiently. The condition of work facilities at Danau Teluk District, Jambi City, indicates that several facilities are still damaged. In 2025, there were 4 cars in good condition, 26 motorcycles with 5 damaged units, 25 air conditioners with 7 damaged units, 35 computers with 5 damaged units, 17 laptops with 7 damaged units, 28 printers with 11 damaged units, and 3 scanners with 2 damaged units. In addition, there were 80 work desks with 8 damaged units and 79 work chairs with 9 damaged units. This condition indicates that although work facilities are available, not all of them are in optimal condition to support employees in carrying out their duties.

In addition to compensation and work facilities, job satisfaction is an important factor associated with employee performance. According to Afandi (2018), job satisfaction is a positive attitude of workers that includes feelings and behavior toward their work as a form of appreciation for achieving important work values. Mangkunegara (2017) states that job satisfaction is a feeling that supports or does not support employees in relation to their work and working conditions. Hasibuan (2020) also explains that job

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satisfaction is an emotional attitude characterized by enjoyment and appreciation of one's work, reflected in work morale, discipline, and work achievement. Employees who are satisfied with their jobs tend to have better loyalty, responsibility, and work motivation.

Another phenomenon can be seen in changes in the employee composition of Danau Teluk District during 2020–2025. The number of civil servants decreased from 42 employees in 2020 to 39 employees in 2025, while contract employees decreased from 22 to 6 employees. In 2025, 13 Government Employees with Work Agreements (PPPK) were introduced, resulting in the total number of employees decreasing from 64 in 2020 to 58 employees from 2023 to 2025. This change in employee structure indicates a shift in employment policy from contract workers toward PPPK and potentially increases employee workloads if it is not accompanied by adjustments in human resources and work facilities.

Employee performance refers to the work results and work behavior achieved by an individual in completing tasks according to the responsibilities assigned. According to Kasmir (2016), performance is the work result and work behavior achieved by a person in completing tasks according to the responsibilities assigned. Data on administrative service performance at Danau Teluk District during 2020–2025 show that service performance was generally good, although not all targets were achieved. During 2020–2022, service performance fluctuated, while in 2023 almost all types of services achieved more than 98% of their targets. However, in 2024–2025, several types of services experienced a decline, although most remained above 85%. This condition indicates that administrative service performance has been relatively good but still requires improvement to ensure that all targets are optimally achieved.

Based on these phenomena, there is a gap between increasing compensation and the availability of work facilities and the achievement of organizational performance. On the one hand, compensation and TPP have increased, while on the other hand, several work facilities remain damaged, the employee structure has changed, the number of employees has decreased, and workloads may have increased. These conditions may affect job satisfaction, which in turn can influence employee performance. Thus, compensation and work facilities are presumed to affect employee performance not only directly but also indirectly through job satisfaction as an intervening variable. Therefore, this study is important to determine the effect of compensation and work facilities on employee performance through job satisfaction at Danau Teluk District, Jambi City, under the title **"The Effect of Compensation and Work Facilities on Employee Performance through Job Satisfaction at Danau Teluk District, Jambi City."**

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Objectives

This article intends

1. To determine the overview of compensation, work facilities, job satisfaction, and employee performance at the Danau Teluk District Office, Jambi City.
2. To determine the direct and indirect effects of compensation and work facilities on job satisfaction at the Danau Teluk District Office, Jambi City.
   To determine the direct and indirect effects of compensation and work facilities on employee performance at the Danau Teluk District Office, Jambi City.
3. To determine the effect of job satisfaction on employee performance at the Danau Teluk District Office, Jambi City.
4. To determine the simultaneous and partial effects of compensation and work facilities on employee performance, mediated by job satisfaction, at the Danau Teluk District Office, Jambi City.

METHODS

This study uses a quantitative research method based on the philosophy of positivism to test hypotheses objectively, measurably, rationally, and systematically. According to , quantitative research is used to examine a specific population or sample through research instruments and statistical data analysis. The object of this study is the employees of the Danau Teluk District Office, Jambi City, with a focus on examining the effect of compensation and work facilities on employee performance through job satisfaction. The data consist of primary data obtained through questionnaires and secondary data obtained from institutional documents, literature, journals, and other relevant sources. Sugiyono (2023) The study population consists of 58 civil servants (PNS) and contract employees (TKK), and a census sampling technique was applied so that the entire population was included as the sample.

Data were collected through questionnaires, interviews, and literature or documentary studies. The questionnaire was used to measure the variables of compensation, work facilities, job satisfaction, and employee performance using a five-point Likert scale, ranging from strongly agree to strongly disagree, with scores from 5 to 1. Before conducting the analysis, the research instrument was tested for validity and reliability. The validity test used Pearson Product Moment correlation with the assistance of IBM SPSS Statistics, while the reliability test used Cronbach's Alpha. An instrument was considered reliable if the Cronbach's Alpha value was greater than 0.60.

The data were analyzed using descriptive and quantitative analyses. Descriptive analysis employed a Likert scale to describe the conditions of compensation, work facilities, job satisfaction, and employee performance. Furthermore, quantitative analysis used Path Analysis with the assistance of SPSS to examine the direct and indirect effects

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of compensation (X1) and work facilities (X2) on job satisfaction (Y) and employee performance (Z), including the effect of job satisfaction on employee performance. Hypothesis testing was conducted using the coefficient of determination (R^2), the F-test to examine simultaneous effects, and the t-test to examine partial effects, with a significance level of 0.05.

RESULT AND DISCUSSION

Result

Descriptive Analysis Results

Based on the descriptive analysis, the compensation variable (X1) obtained an average score of 197.5, which falls into the good category. This indicates that, in general, employees have a positive perception of the compensation received at the Danau Teluk District Office, Jambi City. Several aspects of compensation were rated as good, including performance-based incentives, incentives that encourage performance, and the social security facilities received by employees. However, several aspects were still rated as fairly good, particularly regarding salary appropriateness, incentives for additional working hours, and allowances based on position.

The work facilities variable (X2) obtained an average score of 204.4, which falls into the good category. This result indicates that employees generally have a positive assessment of the work facilities available at the Danau Teluk District Office. Facilities such as meeting rooms, lighting, air circulation, supporting work equipment, and a comfortable work environment were considered to support employees in carrying out their duties. However, the availability of a library was rated fairly good, indicating that this aspect can still be improved to enhance the quality of work facilities.

Furthermore, the job satisfaction variable (Y) obtained an average score of 201.6, which falls into the good category. This condition indicates that employees are generally satisfied with their jobs and work environment. This satisfaction is reflected in employees' pride in their work, the appropriateness of salaries with job responsibilities, support from supervisors, recognition for completing tasks, communication between supervisors and employees, and relationships among coworkers. However, opportunities for promotion or salary increases and support from coworkers in completing tasks were still rated as fairly good, indicating areas that require improvement.

Meanwhile, the employee performance variable (Z) obtained an average score of 200.8, which falls into the good category. This indicates that employee performance has generally been good. Employees were considered capable of completing tasks, working honestly and efficiently, complying with procedures, completing work on time, working collaboratively in teams, and being responsible for their work results. However, several aspects were still rated as fairly good, namely employees' ability to understand their

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duties, authority, and responsibilities; creativity in generating ideas; and communication among employees.

Overall, all four research variables compensation, work facilities, job satisfaction, and employee performance were categorized as good. This indicates that the internal conditions of employees at the Danau Teluk District Office, Jambi City, are generally positive. Nevertheless, several indicators were still categorized as fairly good and therefore require attention and improvement. These descriptive findings provide a basis for further testing of whether compensation and work facilities affect employee performance, both directly and indirectly through job satisfaction as an intervening variable.

Path Analysis

Hypothesis Testing: The Direct and Indirect Effects of Compensation and Work Facilities on Job Satisfaction at the Danau Teluk District Office, Jambi City

The second hypothesis was tested using the F-test (simultaneous test) based on the research paradigm, which states that *compensation and work facilities have a positive effect on job satisfaction at the Danau Teluk District Office, Jambi City*. The hypothesis is accepted. This is indicated by the SPSS results, where the calculated F-value is greater than the F-table value. Thus, compensation and work facilities have a significant effect on job satisfaction, with a significance level of 0.000.

Table 1. Direct and Indirect Effects of Compensation (X1) and Work Facilities (X2) on Job Satisfaction (Y)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1797.954	2	898.977	601.153	.000[b]
	Residual	82.248	55	1.495		
	Total	1880.202	57			

a. Dependent Variable: KepuasanKerja_Y

b. Predictors: (Constant), FasilitasKerja_X2, Compensation_X1

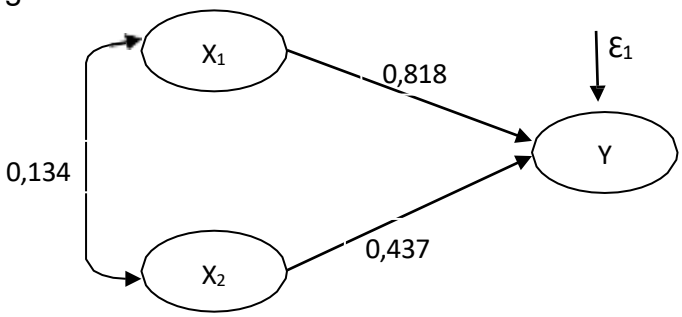
Source : SPSS 27, 2026

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The manual analysis of the direct, indirect, and total effects among the variables can be described as follows:

Figure 1. The Influence of Variables X1 and X2 on Y



Based on Table 1, there is a simultaneous effect of compensation (X1) and work facilities (X2) on job satisfaction (Y) at the Danau Teluk District Office, Jambi City. The total direct and indirect effect is 95.59%, meaning that stronger compensation and better work facilities are associated with higher employee job satisfaction.

The results of the simultaneous test (F-test) show that the calculated F-value for compensation (X1) and work facilities (X2) is greater than the F-table value (601.153 > 3.16). This indicates that compensation and work facilities have a significant effect on employee job satisfaction at the Danau Teluk District Office, Jambi City.

Therefore, the second hypothesis of this study, which states that compensation and work facilities simultaneously affect employee job satisfaction, is accepted. This means that compensation and work facilities have a significant effect on employee job satisfaction. Thus, the stronger the compensation and work facilities provided, the higher the level of employee job satisfaction.

Table 2. Partial Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.900	.894		3.243	.002
	Compensation_X1	.663	.023	.818	28.756	.000
	FasilitasKerja_X2	.365	.024	.437	15.355	.000
a. Dependent Variable: KepuasanKerja_Y						

Source : SPSS 27, 2026

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The indirect hypothesis testing was conducted according to the research paradigm, which states that *compensation and work facilities have a positive and significant indirect effect on employee job satisfaction at the Danau Teluk District Office, Jambi City*. The hypothesis is accepted. The SPSS results show that the calculated t-values are greater than the t-table value, indicating that compensation and work facilities have a positive and significant effect on job satisfaction, with a significance level of 0.000.

The results of the partial test (t-test) indicate that the calculated t-value for compensation is 28.756 > 2.004, while the calculated t-value for work facilities is 15.355 > 2.004. This means that both compensation (X1) and work facilities (X2) have a significant effect on job satisfaction (Y) at the Danau Teluk District Office, Jambi City.

Based on Table 2, the direct and indirect effects of compensation and work facilities on job satisfaction can be identified. The direct effect of compensation on job satisfaction is 0.6691 or 66.91%, while the indirect effect of compensation through work facilities is 0.0479 or 4.79%. Therefore, the total effect of compensation on job satisfaction is 0.7170 or 71.70%.

Meanwhile, the direct effect of work facilities on job satisfaction is 0.1910 or 19.10%, while the indirect effect of work facilities through compensation is 0.0479 or 4.79%. Therefore, the total effect of work facilities on job satisfaction is 0.2389 or 23.89%.

Based on the research hypothesis stating that compensation and work facilities have direct and indirect positive and significant effects on employee job satisfaction, the hypothesis is accepted. This means that compensation and work facilities have positive and significant effects on employee job satisfaction. Therefore, the stronger the compensation and work facilities, the higher the level of employee job

Hypothesis Testing: The Direct and Indirect Effects of Compensation and Work Facilities on Employee Performance at the Danau Teluk District Office, Jambi City

The third hypothesis was tested using the F-test (simultaneous test) based on the research paradigm, which states that *compensation and work facilities simultaneously have a positive and significant effect on employee performance at the Danau Teluk District Office, Jambi City*. The hypothesis is accepted. This is indicated by the SPSS results, where the calculated F-value is greater than the F-table value. Thus, compensation and work facilities have a significant effect on employee performance, with a significance level of 0.000, as shown below.

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Table 3. Direct and Indirect Effects of Compensation (X1) and Work Facilities (X2) on Employee Performance (Y)

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4707.740	2	2353.870	761.885	.000[b]
Residual	169.924	55	3.090		
Total	4877.664	57			

a. Dependent Variable: Employee Performance_Z
b. Predictors: (Constant), Work Facilities_X2, Compensation_X1
Source : SPSS 27, 2026

The analysis of the direct, indirect, and total effects among the variables can be calculated manually based on the following figure and table.

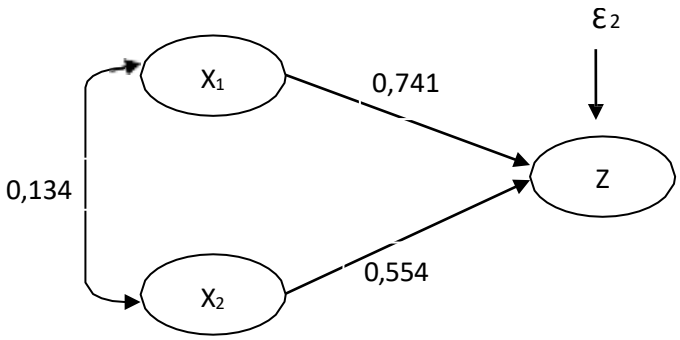


Figure 2 The Effects of X1 and X2 on Z

Based on Table, there is a simultaneous effect of compensation (X1) and work facilities (X2) on employee performance (Z) at the Danau Teluk District Office, Jambi City, with a total direct and indirect effect of 0.9660 or 96.60%. This means that the stronger the compensation and work facilities, the higher the employee performance at the Danau Teluk District Office, Jambi City.

Based on the simultaneous test (F-test), the calculated F-value for compensation (X1) and work facilities (X2) is greater than the F-table value (761.885 > 3.16). This indicates that compensation and work facilities have a highly significant effect on employee performance at the Danau Teluk District Office, Jambi City.

Therefore, the third hypothesis of this study, which states that compensation and work facilities simultaneously have a positive and significant effect on employee

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performance, is accepted. This means that the stronger the compensation and work facilities, the higher the employee performance.

The indirect hypothesis testing was conducted based on the research paradigm, which states that *compensation and work facilities have a positive and significant indirect effect on employee performance at the Danau Teluk District Office, Jambi City*. The hypothesis is accepted. This is indicated by the SPSS results, where the calculated t-values are greater than the t-table value, indicating that compensation and work facilities have a positive and significant effect on employee performance, with a significance level of 0.000.

Table 4 Partial test

Coefficients[a]

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1. (Constant)	-1.082	1.285		-0.842	.403
Compensation_X1	0.967	0.033	0.741	29.168	.000
Work Facilities_X2	0.745	0.034	0.554	21.809	.000

a. Dependent Variable: Employee Performance_Z

Source : SPSS 27, 2026

Based on the partial test (t-test), the calculated t-value for compensation is 29.168 > 2.004, while the calculated t-value for work facilities is 21.809 > 2.004. This indicates that compensation (X1) and work facilities (X2) have significant effects on employee performance (Z) at the Danau Teluk District Office, Jambi City.

Based on Table 4, the direct and indirect effects of compensation and work facilities on employee performance can be identified. The direct effect of compensation on employee performance is 0.5491 or 54.91%, while the indirect effect of compensation through work facilities is 0.0550 or 5.50%. Therefore, the total effect of compensation on employee performance is 0.6041 or 60.41%.

Meanwhile, the direct effect of work facilities on employee performance is 0.3069 or 30.69%, while the indirect effect of work facilities through compensation is 0.0550 or 5.50%. Therefore, the total effect of work facilities on employee performance is 0.3619 or 36.19%.

Based on the research hypothesis stating that compensation and work facilities have direct and indirect positive and significant effects on employee performance, the hypothesis is accepted. This means that compensation and work facilities have positive and significant effects on employee performance. Therefore, the higher or stronger the compensation and work facilities, the higher the employee performance at the Danau Teluk District Office, Jambi City.

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Hypothesis Testing: The Effect of Job Satisfaction on Employee Performance at the Danau Teluk District Office, Jambi City

The fourth hypothesis was tested using the t-test (partial test) based on the research paradigm, which states that *job satisfaction has a positive and significant effect on employee performance at the Danau Teluk District Office, Jambi City*. The hypothesis is accepted. This is indicated by the SPSS results, where the calculated t-value is greater than the t-table value. Thus, job satisfaction has a significant effect on employee performance, with a significance level of 0.000, as shown below.

Table 5 Partial test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.858	2.009		-.925	.359
	KepuasanKerja_Y	1.543	.062	.958	25.019	.000
a. Dependent Variable: Kinerja_Z						

Source : SPSS 27, 2026

The analysis of the direct, indirect, and total effects among the variables can be determined manually based on the following figure and calculation.

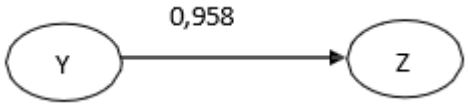


Figure 3 The Effect of Variable Y on Z

Based on the partial test (t-test), the calculated t-value for job satisfaction is 25.019 > 2.002. This indicates that job satisfaction (Y) has a significant effect on employee performance (Z) at the Danau Teluk District Office, Jambi City. Furthermore, the direct effect of job satisfaction on employee performance is 0.9178 or 91.78%. Therefore, it can be concluded that the fourth hypothesis is accepted. This means that job satisfaction has a positive and significant effect on employee performance. In other words, the higher the level of employee job satisfaction, the higher the employee performance at the Danau Teluk District Office, Jambi City.

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Hypothesis Testing: The Effect of Compensation and Work Facilities on Employee Performance through Job Satisfaction Simultaneously and Partially at the Danau Teluk District Office, Jambi City

Based on the values obtained for each sub-structure of the path coefficients, which have been described and explained in terms of both direct and indirect effects, as well as the total effects among the independent variables, namely compensation (X1) and work facilities (X2), through the intervening variable job satisfaction (Y) on the dependent variable employee performance (Z), the three structures can be integrated into a single model of the path analysis used in this study. The integrated path analysis model is presented in Figure 4 below.

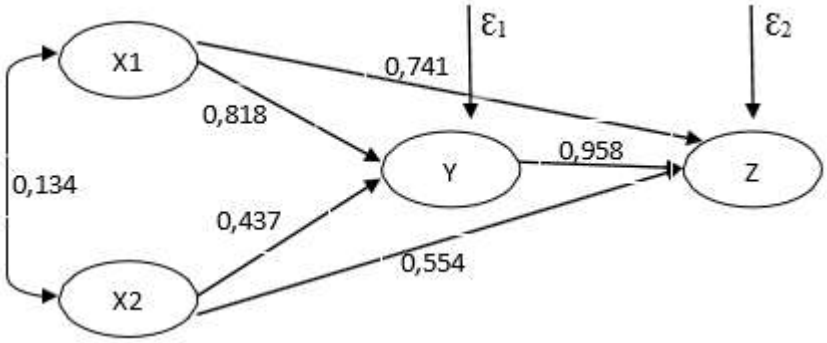


Figure 4. The Effects of Compensation (X1) and Work Facilities (X2) on Job Satisfaction (Y) and Employee Performance (Z)

Based on Figure 4, the path analysis illustrates the relationships among compensation (X1), work facilities (X2), job satisfaction (Y), and employee performance (Z). The path coefficients show that compensation has a direct effect on job satisfaction with a coefficient of 0.818, while work facilities have a direct effect on job satisfaction with a coefficient of 0.437. Compensation and work facilities are also correlated with a coefficient of 0.134.

Furthermore, compensation has a direct effect on employee performance with a path coefficient of 0.741, while work facilities have a direct effect on employee performance with a coefficient of 0.554. Job satisfaction has a direct effect on employee performance with a path coefficient of 0.958. These results indicate that compensation, work facilities, and job satisfaction are positively related to employee performance.

Thus, the integrated path analysis indicates that compensation and work facilities affect employee performance both directly and indirectly through job satisfaction. The indirect effect occurs because improvements in compensation and work facilities increase job satisfaction, which in turn contributes to higher employee performance. Therefore, job satisfaction functions as an intervening variable in the relationship between

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compensation and work facilities and employee performance at the Danau Teluk District Office, Jambi City.

DISCUSSION

Effect of Compensation and Work Facilities on Job Satisfaction

The results show that compensation (X1) and work facilities (X2) simultaneously have a positive and significant effect on job satisfaction (Y) at the Danau Teluk District Office, Jambi City. The total direct and indirect effect was 95.59%, while the F-test showed a calculated F-value of 601.153 > 3.16, with a significance level of 0.000. Partially, compensation had a direct effect of 66.91% and an indirect effect of 4.79%, resulting in a total effect of 71.70%. Work facilities had a direct effect of 19.10% and an indirect effect of 4.79%, resulting in a total effect of 23.89%. The t-test also confirmed significant effects, with t-values of 28.756 for compensation and 15.355 for work facilities. Thus, compensation was the more dominant factor in improving job satisfaction.

These findings are consistent with Dessler (2020), who explains that compensation in the form of payments or rewards for employee contributions can increase employees' sense of appreciation and job satisfaction. They are also supported by Armstrong (2016), who emphasizes that adequate work facilities create a comfortable and supportive work environment that can improve job satisfaction. In addition, the findings are consistent with Herzberg's Two-Factor Theory, which categorizes compensation and working conditions as hygiene factors that help prevent job dissatisfaction and support better job satisfaction.

The findings are further supported by Funny & Widjaja (2020), who found that compensation and work facilities have positive and significant effects on employee job satisfaction. Similarly, Putri et al., (2020) found that compensation and work facilities positively affect job satisfaction, indicating that appropriate compensation and adequate facilities create a more comfortable working environment and increase employee satisfaction. Therefore, the present findings reinforce previous research showing that compensation and work facilities are important factors in improving employee job satisfaction.

Effect of Compensation and Work Facilities on Employee Performance

The findings demonstrate that compensation and work facilities simultaneously have a positive and significant effect on employee performance (Z). The total direct and indirect effect was 96.60%, with an F-value of 761.885 > 3.16 and a significance level of 0.000. The direct effect of compensation was 54.91%, with an indirect effect of 5.50%, resulting in a total effect of 60.41%. Work facilities had a direct effect of 30.69% and an indirect effect of 5.50%, resulting in a total effect of 36.19%. The t-test confirmed

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significant effects for compensation (29.168 > 2.004) and work facilities (21.809 > 2.004). Thus, compensation had the stronger contribution to employee performance.

These findings are consistent with Hasibuan (2020), who states that fair and appropriate compensation can increase employee motivation, loyalty, productivity, and performance. The findings also support Armstrong (2016), who explains that effective reward systems and adequate work environments encourage employees to improve their commitment, motivation, and performance. Adequate work facilities also enable employees to perform their duties more effectively, efficiently, and productively.

The findings are further supported by Kurniawan & Waras (2024), who found that compensation and work facilities have positive and significant effects on employee performance. Saudin & Polim (2023) found that work facilities and compensation positively and significantly affect employee performance because adequate facilities and compensation support smooth work processes and improve work effectiveness.

Effect of Job Satisfaction on Employee Performance

The partial test shows that job satisfaction (Y) has a positive and significant effect on employee performance (Z). The calculated t-value was 25.019 > 2.002, with a significance level of 0.000, while the direct effect of job satisfaction on employee performance was 91.78%. Therefore, higher job satisfaction is associated with higher employee performance at the Danau Teluk District Office, Jambi City.

This finding is consistent with Dessler (2020), who explains that job satisfaction reflects employees' positive attitudes toward their work and can encourage greater motivation, commitment, and performance. It is also supported by Armstrong (2016), who states that satisfied employees tend to demonstrate stronger engagement, dedication, and contributions to organizational goals.

The findings are further supported by Nabawi (2019), who found that job satisfaction has a positive and significant effect on employee performance. Likewise, Sembiring et al., (2021) found that job satisfaction significantly affects employee performance by increasing employee loyalty, work enthusiasm, and organizational commitment. Thus, the present findings reinforce previous research that higher job satisfaction contributes to improved employee performance.

Effect of Compensation and Work Facilities on Employee Performance through Job Satisfaction

The results indicate that compensation and work facilities have positive and significant effects on employee performance through job satisfaction. The direct effect was 81.26%, while the indirect effect through job satisfaction was 5.94%, resulting in a total effect of 87.20%. This confirms that job satisfaction functions as an intervening

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variable, strengthening the relationship between compensation, work facilities, and employee performance.

Partially, compensation had a total effect of 66.19%, consisting of a direct effect of 58.07% and an indirect effect of 8.12% through job satisfaction. Work facilities had a total effect of 26.44%, consisting of a direct effect of 23.19% and an indirect effect of 3.24%. These results indicate that compensation was more dominant than work facilities in improving employee performance through job satisfaction.

These findings are consistent with Dessler (2020), who states that fair compensation can increase job satisfaction, motivation, and employee commitment, while adequate working conditions and facilities support effective work performance. They are also supported by Armstrong (2016), who emphasizes the importance of integrating reward systems, work environments, and job satisfaction in effective human resource management.

Furthermore, the findings are consistent with Herzberg's Two-Factor Theory, which identifies compensation, working conditions, organizational policies, work relationships, and work facilities as hygiene factors. Adequate compensation and work facilities can reduce job dissatisfaction and increase job satisfaction, which subsequently encourages employees to work more diligently, responsibly, and effectively. Therefore, job satisfaction serves as an important mechanism linking organizational factors to employee performance.

Overall, the findings reinforce the theories of Dessler (2019), Armstrong (2016), and Herzberg, (1987) that compensation and work facilities are important factors in improving job satisfaction and employee performance. Job satisfaction plays an important intervening role in strengthening the effects of compensation and work facilities on employee performance. Therefore, improving compensation systems and providing adequate work facilities can increase job satisfaction and ultimately enhance employee performance at the Danau Teluk District Office, Jambi City.

CONCLUSION

Based on the findings, compensation, work facilities, job satisfaction, and employee performance at the Danau Teluk District Office, Jambi City, are generally categorized as good. Compensation and work facilities have a positive and significant effect on job satisfaction (95.59%) and employee performance (96.60%), while job satisfaction has a direct effect of 91.78% on employee performance. Furthermore, compensation and work facilities affect employee performance through job satisfaction, with a total effect of 87.20%, confirming the role of job satisfaction as an intervening variable. Overall, improving compensation and work facilities while maintaining employee

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job satisfaction can significantly enhance employee performance and support the achievement of organizational goals.

The Danau Teluk District Office, Jambi City, is advised to improve the compensation system by ensuring that salaries, incentives, allowances, and social security benefits are fair and consistent with employees' responsibilities and performance; enhance work facilities by providing adequate equipment, comfortable workspaces, and supporting facilities, particularly areas that still require improvement; increase job satisfaction through greater opportunities for promotion, recognition, supportive leadership, and stronger communication among employees; and strengthen employee performance by encouraging creativity, improving communication and teamwork, and providing opportunities for employees to develop their skills. In addition, future researchers are recommended to examine other factors that may influence job satisfaction and employee performance and to use broader research settings to obtain more comprehensive findings.

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