

The Effect of Work-Life Balance and Compensation on Employee Performance Through Job Satisfaction as an Intervening Variable

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ABSTRACT

This study aims to determine and analyze whether there is an influence of work-life balance and compensation on employee performance with job satisfaction as an intervening variable in employees of PT Indominco Mandiri, East Kalimantan. This research is a quantitative study with descriptive and explanatory research methods. The population in this study were employees at PT Indominco Mandiri, East Kalimantan, totaling 230 people while the research sample was obtained as many as 145 people. Data collection techniques in this study were questionnaires, interviews, and observations. Data analysis techniques using associative and quantitative approaches with SmartPLS shower. The results showed that work-life balance has a negative and insignificant effect on the employee performance of PT Indominco Mandiri. Compensation has a positive and significant effect on the employee performance of PT Indominco Mandiri. Work-life balance has a positive and significant effect on the job satisfaction of PT Indominco Mandiri employees. Compensation has a positive and significant effect on the job satisfaction of PT Indominco Mandiri employees. Job satisfaction has a positive and significant effect on the employee performance of PT Indominco Mandiri. Work-life balance indirectly through job satisfaction as an intervening variable has a positive and significant effect on employee performance of PT. Indominco Mandiri. Compensation indirectly through job satisfaction as an intervening variable has a positive and significant effect on the employee performance of PT Indominco Mandiri.

Keywords:

Work-life Balance, Compensation, Employee Performance, Job Satisfaction, Smart PLS, and Mining

INTRODUCTION

Human resources (HR) is one of the key aspects of the success and growth of an organization, whether it is a business, government, or non-profit organization. Human resources also design a formal system in an organization to ensure the optimal use of human talent effectively and efficiently in achieving organizational goals (Irma et al., 2020). Human resources includes all people who work in an organization, from management to lower-level employees, and the various aspects associated with them, such as expertise, skills, knowledge, experience, and attitudes (Ahmad et al., 2022).

The mining industry is one of the pillars of economic development in a country, because of its role as a supplier of energy resources needed for the development of a country's economy (Mohsin et al., 2021). The potential for rich natural resources will allow companies to explore and exploit these resources. Companies in the mining industry can generally take the form of an integrated business entity in the sense that the company manages exploration, development, construction, production, and processing as a business unit or in the form of a separate company, each of which is autonomous.

PT Indominco Mandiri (IMM) is a subsidiary of PT Indo Tambangraya Megah Tbk (ITM) whose business fields are mining, construction, and general trading. Its coal mining sites and supporting facilities are located in East Kutai Regency, Kutai Kartanegara Regency, and Bontang City, East Kalimantan. Starting commercial

operations in March 1997, PT Indominco Mandiri is one of the coal mines in Indonesia that uses an open-pit mining system. Mining operations are often conducted in a harsh, potentially high-risk, round-the-clock environment, which can disrupt employees' personal and social lives. Where the work system of this mining company does not have hours off or off work but there is only a change of work shifts, namely working at a predetermined time, for example, morning shifts, night shifts, or rotating shifts. Based on this phenomenon, sometimes employees face pressure to work long hours so balancing work and personal life is often a big challenge for employees in this field.

Mining is often the backbone of the economy in certain regions, especially in countries with abundant natural resources (Fayiah, 2020). Employees in this sector are expected to not only contribute economically by increasing output but also create positive social impacts such as job creation and local community development. However, to optimize employee performance in the mining sector, there are many challenges. The first challenge facing employee performance in the mining sector is that working hours are often unstable and changeable. Mining activities are often 24/7 to maximize the exploitation of natural resources, which can disrupt employees' personal and social lives. Sometimes employees face pressure to work long hours or not have enough time for rest, entertainment, or socializing with family and friends.

The importance of employee performance in the mining sector is not only limited to economic aspects but also involves environmental, social, and safety issues. On the one hand, mining activities often have an impact on the environment and surrounding communities, therefore employees must work well in understanding and implementing sustainable mining practices. On the other hand, the safety aspect of mining is also a major concern, as working in a mining environment is often high risk. According to Robbins and Judge (Nazwirman, 2019) there are several indicators used to measure employee performance, namely: 1) Effectiveness, is the level of use of organizational resources (manpower, money, technology, raw materials) maximized to improve the results of each unit in the use of resources; 2) Independence, is the level of ability of an employee in carrying out his job functions; and 3) Job commitment, a level where employees are committed to working with their responsibilities towards the company where they work.

Work-life balance is the level of satisfaction related to the dual roles in a person's life, for example, work requires workers to work full time or overtime and makes workers not have balanced time for their families (Maarif & Affandi, 2019). The results of research (Widyanty et al., 2019) state that if a company employee has a work-life balance at work, meaning that employees can divide work and family time, enter work hours according to office hours, and go home according to working hours, join labor unions or are self-employed, become members of certain communities, the number of working hours per week, or month is chosen flexibly, then this will have an impact on the higher employee performance at work. So thus it can be said that there is a positive influence between work-life balance on employee performance. The results of this study are supported by research conducted by (Triana & Suratman, 2022) which states that there is a positive relationship between work-life balance and employee performance.

The second challenge is that the mining industry is also known for its high and dangerous challenges and risks. Thus, wages or salaries paid to workers in the mining industry are a very important aspect. Compensation in the context of the mining

industry covers various aspects, including wages, allowances, incentives, and other benefits (Wellem, 2022). Salary is not only a tool to motivate employees to perform better, but also a tool to attract and retain the best talent in this often difficult and high-risk industry. An appropriate compensation system can encourage employees to reach their full potential, improve workforce retention, and support continuous career development (Mayla & Arief, 2020). On the other hand, a pay system that is unfair or inappropriate for the level of risk and challenges faced by workers in the mining sector can lead to dissatisfaction, lack of motivation, and even unemployment.

The third challenge, in the mining industry, job satisfaction is an employee's positive perception or evaluation of his/her job and the work environment in the company (Pasulu et al., 2023). High levels of job satisfaction are often associated with increased employee motivation, engagement, and commitment to the company. Conversely, low job satisfaction can lead to dissatisfaction, absenteeism, and even high turnover rates (Omar et al., 2020).

In the context of the mining industry, workers often face difficult and high-risk working conditions such as working in remote locations or hazardous environments. Therefore, job satisfaction is important because it can affect employee motivation to perform tasks well, maintain personal safety, and contribute to company goals (Hutabarat et al., 2023). In addition, the mining industry often has unusual work schedules, such as night shifts or long working hours at project sites. This can affect work-life balance, which can also affect employee job satisfaction. Mining companies need to understand that employees who are satisfied with their jobs are more likely to stay, perform better, and contribute more to the company's success.

The term performance comes from the word job performance or actual performance (job performance or real achievement achieved by a person) (Rosanti, 2020). Employee performance according to (Witriaryani et al., 2022) is defined as the work achieved by a person when carrying out the assigned tasks based on accuracy, experience, and seriousness at work. (Badrianto, 2021) explains that performance is the result of work that is tied to organizational strategic goals, customer satisfaction, and contribution to the economy. Based on this understanding, it can be concluded that performance is a result that is both quality and quantity achieved by an employee in carrying out his duties consistent with what the company expects through the criteria or standards that apply in the company. This study uses indicators adopted from (Budhi Haryanto, 2022): 1) Task Performance, 2) Adaptive Performance, and 3) Contextual Performance.

Work-life balance is a condition in which individuals can organize and divide work responsibilities, personal life, family life, and other responsibilities free from conflicts of work life, family life, and career and increase motivation, productivity, and work loyalty (Mardiani, 2021). Work-life balance often involves working hours, flexibility, happiness, family, demographics, migration, leisure, and more. Work-life balance is defined by Kirchmeyer (Khateeb, 2021) as achieving satisfying experiences in various aspects of life that require various resources, energy, time, and commitment. This study uses indicators adopted from (McDonald & Bradley, 2005): 1) Time management, 2) Involvement in various activities, 3) Self-satisfaction, and 4) Expectation fulfillment.

Compensation is anything that employees receive for contributions to the company, including salaries, benefits, and facilities that can be utilized by employees, both in monetary and non-monetary forms (Arif et al., 2019). According to (Hutabarat

et al., 2023) compensation is a gift to employees with financial payments in return for the work done and as a motivator to carry out activities in the future. The purpose of compensation is to link cooperation, job satisfaction, supply efficiency, motivation, employee stability, discipline, and the influence of labor unions and government. Compensation is a reward or reward given to workers who contribute to achieving their goals through work activities (Zaeni et al., 2022). Compensation is also a reward given by employees, either directly or indirectly, financially or non-financially, fairly to employees for contributing to the achievement of organizational goals, where every company demands compensation to improve employee performance. This study uses indicators adopted from (Michael & Harold, 1993): 1) Material compensation, 2) Social compensation, and 3) Activity compensation.

Job Satisfaction is a pleasant emotional state resulting from individuals who evaluate their work as a success or reflect the value of their work (Azevedo et al., 2023). Meanwhile, according to (Gerards, 2023) job satisfaction is the feeling or attitude of employees towards work following each assessment of employees so that it can be assessed regarding pleasant or unpleasant aspects of work. Each employee has different satisfaction, even though both are on the job, it can be interpreted that the level of needs and the applicable work system depends on himself. Porter and Lawler (Pasulu et al., 2023) explain that job satisfaction is a unidimensional construct in that a person has general satisfaction or dissatisfaction with their job. A positive attitude towards work can conceptually be represented by job satisfaction, and a negative attitude towards work is equal to satisfaction. According to (Usman, 2019), job satisfaction is generally an attitude towards work based on an evaluation of various aspects of employees. A person's attitude towards work describes pleasant or unpleasant experiences at work and expectations regarding future experiences. This study uses indicators adopted from (Spector, 1997): 1) Promotion, 2) Superiors, 3) Operational Conditions of Work, 4) Coworkers

METHOD

This research is quantitative research with descriptive and explanatory research methods. The reason researchers use quantitative research is because this research tests the hypothesis that has been set and finds out the influence between variables. According to (Creswell & Creswell, 2018) quantitative research methods can be interpreted as research methods based on positivism, used to research on certain populations or samples, data collection using research instruments, data analysis is quantitative or statistical, with the aim of testing predetermined hypotheses.

The explanatory research method in this study uses a survey method where the research utilizes a questionnaire to determine the relationship and influence of work-life balance and compensation on employee performance through job satisfaction in employees of PT Indominco Mandiri. There are 4 (four) variables studied, namely independent variables, dependent variables, and mediating variables. The independent variable is work-life balance (X1) and compensation (X2), the dependent variable is employee performance (Y), and the mediating variable is job satisfaction (Z). The research design made in this study is to determine whether there is an effect of work-life balance and compensation on employee performance with job satisfaction as an intervening variable on employees of PT Indominco Mandiri which can be seen in the following figure;

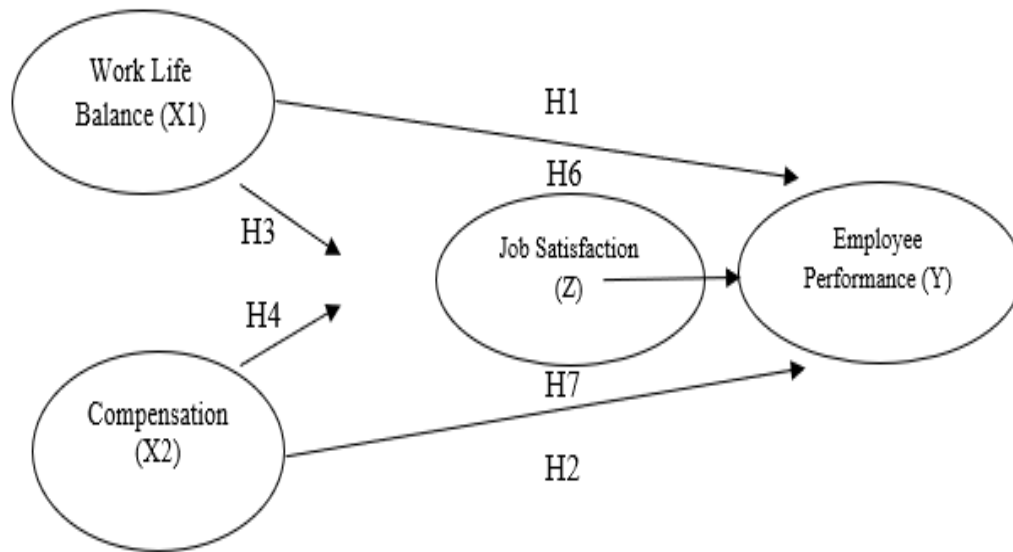


Figure 1. Conceptual Model

(Source: Processed by Researchers, 2023)

Research Hypothesis References

H1 (Putu et al., 2021); (Triana & Suratman, 2022); (Loprang, 2023); (Fatmawati & Irbayuni, 2021); (Irma et al., 2020); (Siyamsunthar et al., 2023);

H2 (Fatmawati & Irbayuni, 2021); (Janabadra, 2021); (Adil et al., 2020); (Mabaso C.M, 2021);

H3 (Ahmad et al., 2022); (Khaled adnan Bataineh, 2019); (Triana & Suratman, 2022);

H4 (Zaeni et al., 2022); (Hutabarat et al., 2023); (Muhtazib, 2022);

H5 (Atsir, 2021); (Omar et al., 2020); (Pasulu et al., 2023)

H6 (Karlita & Suryatni, 2020); (Gresti et al., n.d.2022)

H7 (Wellem, 2022); (Rahmad & Efendi, 2021)

The population in this study were 230 employees of PT Indominco Mandiri with a minimum employee tenure of 2 (two) years with, Employee age range of 18 - 56 years (Cooper & Schnidler, 2014: 338). The number of samples in this study was determined using a sample size calculator through calculator.net with the calculation of unlimited population size, 10% margin of error, 95% confidence level, and 50% population proposition so that what was obtained from this calculation was 145 samples as sample respondents in this study.

RESULTS AND DISCUSSION

Testing the Measurement Model (Outer Model)

a. Validity Test

Validity testing using SmartPLS 4.0 software is said to be valid if the outer loading value is greater than 0.40 and the p-value is less than 0.05 (<0.05) resulting in the value of each statement item with the overall question item score (Solihin and Ratmono, 2013.) For more details, it is presented in Table 1.

Table 1. Research Instrument Validity Test Results

Variable	Indicator	Validity Test		Description
		Outer Loading	P-Value	
Work-Life Balance (X1)	X1.1	0.926	0.000	Valid
	X1.2	0.908	0.000	Valid
	X1.3	0.895	0.000	Valid
	X1.4	0.890	0.000	Valid
Compensation (X2)	X2.1	0.902	0.000	Valid
	X2.2	0.929	0.000	Valid
	X2.3	0.873	0.000	Valid
Job Satisfaction (Z)	Z.1	0.871	0.000	Valid
	Z.2	0.869	0.000	Valid
	Z.3	0.909	0.000	Valid
	Z.4	0.805	0.000	Valid
Employee Performance (Y)	Y.1	0.926	0.000	Valid
	Y.2	0.839	0.000	Valid
	Y.3	0.899	0.000	Valid

Source: Data processed,2024

Based on Table 1, it can be seen that the outer loading is greater than 0.40 and the p-value is smaller than 0.05 (<0.05), which means that each variable indicator is valid, so it can be concluded that these indicators can be used to measure the research variables.

b. Reliability Test

The reliability testing technique in SmartPLS 4.0 software is to use Cronbach's Alpha and Composite Reliable values. The decision-making criteria are if the Cronbach's Alpha and Composite Reliable values are greater than 0.70 then the variable is reliable (Fornel and Lacker, 1981; Nunnaly, 1978; Solihin & Ratmono, 2013). The reliability test results can be seen in Table 2.

Table 2 Results of the Research Instrument Reliability Test

Variable	Uji Reliability		Description
	Cronbach's Alpha	Composite Reliable	
Work-Life Balance	0.926	0.927	Reliable
Compensation	0.885	0.885	Reliable
Job Satisfaction	0.887	0.894	Reliable
Employee Performance	0.867	0.882	Reliable

Source: Data processed,2024

Structural Model (Inner Model)

a.Determinant Coefficient Square (R2)

R square (R2) is a measure of the proportion of variation in the value of the affected variable that can be explained by the variables that affect it. In research (Handayani, 2013) explains the criteria for the R square value:

If the R-square value is 0.75, it is in the strong category,

If the R-square value is 0.50 including the moderate category,

If the R-square value is 0.25 including the weak category

The R-square value of the dependent variable obtained in this research model can be seen in Table 3 below.

Table 3. R-Square Value

Variable	R-square	Classification
Employee Performance	0.766	Kuat
Job Satisfaction	0.821	Kuat

Source: Data processed,2024

b.Effect Size (f²)

This formula is to explore whether the endogenous latent variable is strongly influenced or not by the exogenous latent variable. Can be processed as follows: (Ghozali and Latan, 2015). If the f² number produces a value of 0.02, the effect is small, the value of 0.15 is medium and the value of 0.35, the effect of the exogenous latent variable is declared large (Ghozali and Latan, 2015: 81). The output results are as follows:

Table 4. Results of f-Square Value

Variable	Work-Life Balance (X.1)	Compensation (X.2)	Employee Performance (Y)	Job Satisfaction (Z)
Work-Life Balance (X.1)			0.001	0.123
Compensation (X.2)			0.063	0.59
Employee Performance (Y)				
Job Satisfaction (Z)			0.249	

Source: Data processed,2024

Based on the output results in Table 4 above, it can be seen as follows:

1. Work Life Balance variable on Employee Performance f square value of 0.001, has a small effect.
2. Compensation variable on Employee Performance f square number of 0.063, small effect.
2. Compensation variable on Job Satisfaction f square number of 0.59, has a big effect.
3. Work-Life Balance variable on Job Satisfaction f square value of 0.123, medium effect.
4. Variable Job Satisfaction on Employee Performance f square number of 0.249, medium effect

Hypothesis Testing Results

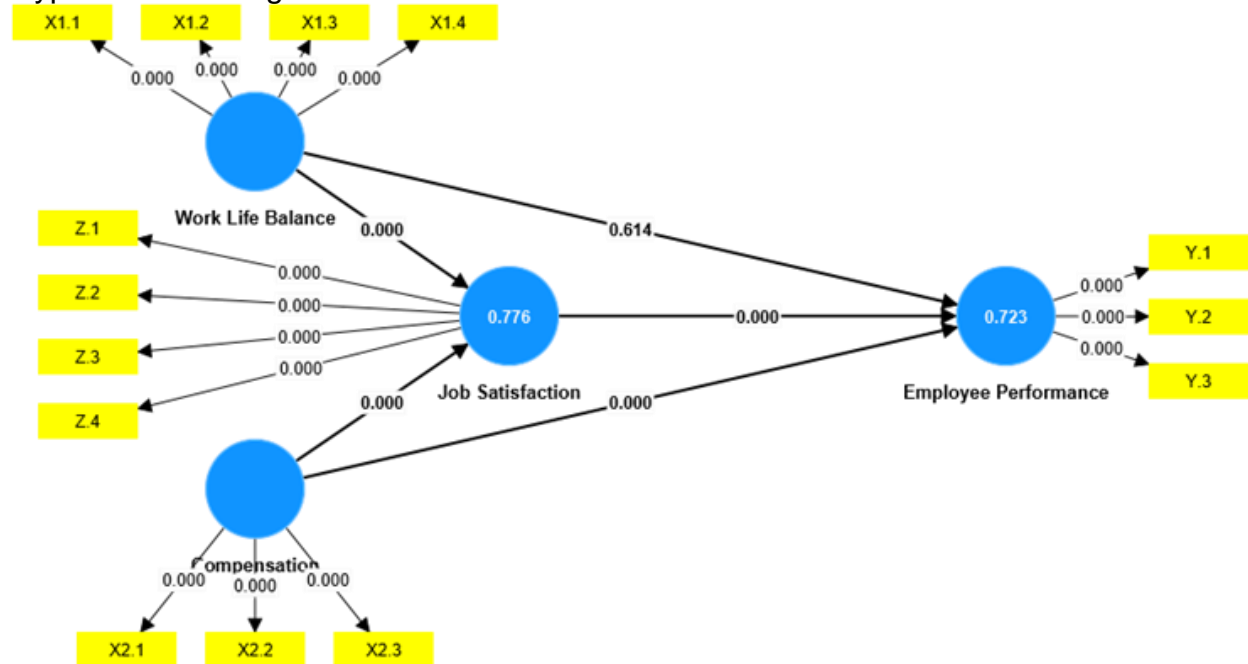


Figure 2. Path Diagram Research Model

a. Testing the direct effect (Path Coefficient)

Hypothesis testing is seen from the t-statistic value and p-value. The t-statistic value test aims to determine the effect between variables in an idea (construct). The p-value used in this study is 1.96 with a significance level of 0.005. The t-statistic value criterion is > 1.96 and a hypothesis can be said to be significant if the probability/significance value (P Value) is < 0.05 (Azuar Juliandi, 2018). Path coefficients have a value in the range of -1 to 1. If the value is in the range of 0 to 1, it can be declared positive, while if the value is in the range of -1 to 0, it can be declared negative (Ghozali, 2016).

Table 5. Path Coefficients

Variable	Original Sample (O)	Sample Mean (M)	T Statistics	P Values	Description	Significance
WLB -> EP	-0.051	-0.050	0.506	0.614	Rejected	Not Significant
C -> EP	0.518	0.522	4.186	0.000	Accepted	Significant
WLB -> JS	0.354	0.343	3.839	0.000	Accepted	Significant
C -> JS	0.560	0.571	6.471	0.000	Accepted	Significant
JS -> EP	0.409	0.405	4.901	0.000	Accepted	Significant

Source: Data processed, 2024

Based on Table 5, the results of the path coefficient value on the research hypothesis can be explained as follows:

Hypothesis 1

The results of Table 5 above show the results of statistical testing using SmartPLS 4, the T-statistic value and p-value between the work-life balance variable and employee performance are 0.506 and 0.6147. The T-statistic value of $0.506 \leq$

1.96 and the p-value of $0.614 \geq 0.05$ means that there is no significant effect. Both do not meet the requirements so hypothesis 1 which reads the effect of work-life balance has a significant positive effect on employee performance is rejected. When viewed from the original sample (O) value, it is -0.051 which shows a negative value. Therefore it can be concluded that H1 is rejected: Work-life balance has a negative and insignificant effect on the employee performance of PT Indominco Mandiri.

Hypothesis 2

The results of Table 5 above show the results of statistical testing using SmartPLS 4, the T-statistic value and p-value between the compensation and employee performance variables are 4,186 and 0,000. The T-statistic value of $4,186 \geq 1.96$ and the p-value of $0.000 \leq 0.05$, meaning a significant effect. Both meet the requirements so that hypothesis 2 is accepted which reads that compensation has a significant and positive effect on employee performance. When viewed from the original sample (O) value, it is 0.518 which shows a positive value. Therefore it can be concluded that H2 is accepted: compensation has a positive and significant effect on employee performance of PT Indominco Mandiri.

Hypothesis 3

The results of Table 5 above show the results of statistical testing using SmartPLS 4, the T-statistic value and p-value between the work-life balance and job satisfaction variables are 3,839 and 0,000. The T-statistic value of $3,839 \geq 1.96$ and the p-value of $0.000 \leq 0.05$, meaning that it has a significant effect. Both meet the requirements so that hypothesis 3 which reads work-life balance has a significant positive effect on job satisfaction is accepted. When viewed from the original sample (O) value of 0.354 which shows a positive value. Therefore it can be concluded that H3 is accepted: work-life balance has a positive and significant effect on job satisfaction of PT Indominco Mandiri employees.

Hypothesis 4

The results of Table 5 above show the results of statistical testing using SmartPLS 4, the T-statistic value and p-value between the compensation and job satisfaction variables are 6,471 and 0.000. The T-statistic value of $6,471 \geq 1.96$ and the p-value of $0.000 \leq 0.05$, meaning that it has a significant effect. Both meet the requirements so that hypothesis 4 which reads compensation has a significant positive effect on job satisfaction is accepted. When viewed from the original sample (O) value of 0.560 which shows a positive value. Therefore it can be concluded that H4 is accepted: compensation has a positive and significant effect on job satisfaction of PT Indominco Mandiri employees.

Hypothesis 5

The results of Table 5 above show the results of statistical testing using SmartPLS 4, the T-statistic value and p-value between the job satisfaction and employee performance variables are 4,901 and 0,000. The T-statistic value of $4,901 \geq 1.96$ and the p-value of $0.000 \leq 0.05$, meaning that it has a significant effect. Both meet the requirements so that hypothesis 5 which reads job satisfaction has a significant positive effect on employee performance is accepted. When viewed from the original sample (O) value, it is 0.409 which shows a positive value. Therefore it can be concluded that H 5 is accepted: job satisfaction has a positive and significant effect on employee performance of PT Indominco Mandiri.

b. Testing Indirect Influence

The results of indirect effect hypothesis testing through job satisfaction as an intervening variable using the SmartPLS 4 program can be presented in the following table:

Table 6. Specific Indirect Effect

Variables	Original Sample (O)	Sample Mean (M)	T Statistics	P Values	Explanation	Significance
WLB -> JS -> EP	0.145	0.137	3.500	0.001	Diterima	Significance
C -> JS -> EP	0.229	0.233	3.432	0.001	Diterima	Significance

Source: Data processed, 2024

Hypothesis 6

The results of Table 6 above show the results of statistical testing using SmartPLS 4, the T-statistic value and p-value between the work-life balance variable and employee performance through job satisfaction as an intervening variable of 3.500 and 0.001. The T-statistic value of $3.500 \geq 1.96$ and the p-value of $0.001 \leq 0.05$, meaning that it has a significant effect. Both meet the requirements so that hypothesis 6 which reads work work-life balance has a significant effect on employee performance through job satisfaction is accepted. When viewed from the original sample (O) value, it is 0.145 which shows a positive value. Therefore, it can be concluded that H6 is accepted: work-life balance indirectly through job satisfaction as an intervening variable has a positive and significant effect on the employee performance of PT Indominco Mandiri. This means that work-life balance can improve employee performance through job satisfaction as an intervening variable.

Hypothesis 7

The results of Table 6 above show the results of statistical testing using SmartPLS 4, the T-statistic value and p-value between the compensation variable and employee performance through job satisfaction as an intervening variable are 0.233 and 0.001. The T-statistic value of $0.233 \geq 1.96$ and the p-value of $0.001 \leq 0.05$, meaning that it has a significant effect. Both meet the requirements so that hypothesis 7 is accepted, which reads that compensation has a significant effect on employee performance through job satisfaction. When viewed from the original sample (O) value, it is 0.229 which shows a positive value. Therefore, it can be concluded that H7 is accepted: compensation indirectly through job satisfaction as an intervening variable has a positive and significant effect on employee performance of PT Indominco Mandiri. This means compensation can improve employee performance through job satisfaction as an intervening variable.

Discussion

1. Effect of Work-Life Balance on Employee Performance

Based on the results of the analysis in the previous chapter IV, shows that the work-life balance variable has a negative and insignificant effect on the employee performance of PT Indominco Mandiri. The mining industry often involves irregular work schedules and strenuous work environments. Employees in mining companies may be used to irregular schedules, overtime work, and high work pressure, so employee priorities are different in terms of work-life balance compared to other companies. This is because work-life balance becomes less than optimal, the negative impact can be seen in various aspects of employee performance such as time, economy and family, loyalty, attitude, and salary (Wijaya, 2020).

The results of this study contradict research (Gunawan & Rohinsa, 2021) which states that work-life balance has a significant positive effect on employee performance. This is supported by (Karim et al., 2023) that work-life balance has a significant positive effect on employee performance, where young employees can find a suitable balance between work and family commitments thereby increasing productivity in the organization. (Triana & Suratman, 2022) with the results of work-life balance has a significant positive effect on employee performance, these results explain that generally, employees feel that work-life or family conflict can be a source of stress and will affect their performance.

2. The Effect of Compensation on Employee Performance

The results of this study indicate that compensation has a positive and significant effect on employee performance, meaning that there is a directly proportional relationship between the compensation variable and employee performance. The results also show that changes in the value of compensation variables through its three indicators, namely, material compensation, social compensation, and activity compensation have an impact on the employee performance of PT Indominco Mandiri. Good and fair compensation can be a key motivator for employees to improve their performance (Muljani, 2022). In the mining industry where work is often risky and demanding, competitive salaries, bonuses, and other financial incentives can be a strong incentive for employees to work harder, smarter, and more efficiently.

These results are similar results with research conducted by (Hutabarat, 2023) showing that compensation has a significant effect on employee performance. Thus, it can be concluded that compensation has a positive impact on improving employee performance, as shown by the findings of research conducted by researchers on PT Indominco Mandiri workers, in East Kalimantan. These results also have similarities with research conducted (Muhatzib, 2022) showing that compensation has a significant effect on employee performance. This means that providing appropriate compensation to employees will encourage employees to be better at doing their jobs and be more responsible for each task assigned and have an impact on improving overall performance.

3. Effect of Work-Life Balance on Job Satisfaction

The results of this study indicate that work-life balance has a positive and significant effect on the job satisfaction of PT Indominco Mandiri employees, meaning that there is a directly proportional relationship between work-life balance variables and job satisfaction. The results also indicate that the value of the work-life balance variable through its four indicators, namely time management, involvement in various activities, satisfaction with self, and fulfillment of expectations affects job satisfaction.

The positive and significant effect of work-life balance on job satisfaction from the results of this study is following research conducted by (Putu et al., 2021), which states a significant positive effect. Where it can be indicated through flexible work arrangements and the attitude of the worker. Flexible work will allow an employee to have enough time to share their personal life and family, and to take care of themselves. These results are also supported by (Loprang et al., 2023) that work-life balance has a positive influence on job satisfaction. This similarity indicates that there is no difference in perception between job satisfaction in this research and previous research.

In connection with the results of the influence and explanation of the theory above, the level of work-life balance held by PT Indominco Mandiri employees influences job satisfaction because, with a high level of work-life balance, employee job satisfaction will increase. This comes from the satisfaction with the appropriate self so that creating a balanced and supportive work environment can expect happier, more productive, and loyal employees.

4. The Effect of Compensation on Job Satisfaction

The results of this study indicate that compensation has a positive and significant effect on the job satisfaction of PT Indominco Mandiri employees, meaning that there is a directly proportional relationship between the compensation and job satisfaction variables. The results also show that changes in the value of compensation variables through its three indicators, namely, material compensation, social compensation, and activity compensation have an impact on the job satisfaction of PT Indominco Mandiri. These results have similar results with research conducted by (Janabadra, 2021) that compensation has a significant positive relationship with job satisfaction. This research is in line with (Antara & Idrus, 2021) saying, that employees who have job satisfaction, then they feel motivated to carry out their duties, especially job-related responsibilities and appropriate rewards from the company obtained through the work they do.

5. The Effect of Job Satisfaction on Employee Performance

The results of this study indicate that job satisfaction has a positive and significant effect on employee performance of PT Indominco Mandiri, meaning that there is a directly proportional relationship between job satisfaction variables and employee performance. That is, the higher the employee compensation, the employee will show his best performance. This is in line with the results of the description of the direct contribution given by job satisfaction to employee performance with an average value of 0.567, this explains that changes in employee performance in employees of PT Indominco Mandiri, East Kalimantan, are influenced by good job satisfaction with the amount of influence given is 56.7%. This means that employees will work as well as possible and always try to give their best performance in the company.

These results have similar results with research conducted (Atsir, 2021) showing that job satisfaction has a significant effect on employee performance. Other research conducted by (Omar et al., 2020) states that job satisfaction has a direct and important influence on employee performance variables, and research (Torlak & Kuzey, 2019) found that job satisfaction has a significant effect on employee performance.

6. The Effect of Work-Life Balance on Employee Performance through Job Satisfaction as an Intervening Variable.

The results of this study indicate that the job satisfaction variable is proven to be a variable that mediates the effect of work-life balance on employee performance. Work-life balance has a positive and significant effect on employee performance through job satisfaction as an intervening variable. This means that the influence of the work-life balance of PT Indominco Mandiri employees on the company is strongly influenced by their satisfaction with their work.

Based on direct testing, it is known that work-life balance does not influence employee performance. On the other hand, direct testing of the effect of job satisfaction on employee performance has a positive and significant relationship. This indicates that there is a full mediation effect (full mediation) of job satisfaction variables on the effect of work-life balance on employee performance. The results of this test

support the research of Weerakkody et al. (2017) and Immanuel, I., & Djawoto, D. (2022), which state that job satisfaction can become a mediating variable and plays an intermediary role in the relationship between work-life balance variables and employee performance variables so that it can be concluded that job satisfaction can mediate fully mediation. If PT indominco mandiri employees have a good time balance but do not have satisfaction with their work, their work will not increase in the company, and vice versa, if they have a good time balance and are satisfied with their work, their performance in the company will increase.

7. The Effect of Compensation on Employee Performance through Job Satisfaction as an Intervening Variable.

The results of this study indicate that the job satisfaction variable is proven as a variable that mediates the effect of compensation on employee performance. Compensation has a positive and significant effect on employee performance through job satisfaction as an intervening variable. This means that the effect of compensation of PT Indominco Mandiri employees on their employee performance in the company is strongly influenced by their satisfaction with their work. Companies that understand the importance of this relationship can design an appropriate compensation system to encourage optimal performance and high job satisfaction among employees (Voss & Cova, 2016).

Based on direct testing of compensation on employee performance, the results of direct influence are obtained, having an average indicator value of 0.281. The results of this study are supported by the research of Sudiarditha, I Ketut R. Susita, and D.Kartini, (2019) job satisfaction mediates compensation on employee performance. For the results of his research, it was concluded that each increase in compensation also made employee job satisfaction increase. Through this increase in job satisfaction, it has an impact on increasing employee performance. There are similar results from Alkandi et al. (2023) where there are results that when job satisfaction becomes a mediating variable, the effect of compensation on employee performance becomes significant. Job satisfaction is an important mediator of Employee Performance. This means that employee performance becomes visible and increases when their job satisfaction level is high and supported by good compensation by the company.

CONCLUSION

Based on the results of research on the effects of work-life balance and compensation on employee performance through job satisfaction as an intervening variable study on employees of PT Indominco Mandiri, East Kalimantan, the following conclusions can be drawn: Work-life balance does not affect employee performance. This means that the separation between work life and personal life does not always affect employee productivity or performance achievement. Compensation affects employee performance. This means that the higher the compensation provided, the higher the employee performance. Work-life balance affects job satisfaction. This means that when someone can manage their time and energy well between work demands and personal needs, this can have a positive impact on the level of job satisfaction. Compensation affects job satisfaction. This means that when employees feel that they are compensated fairly and following their contributions and responsibilities, this can have a positive impact on their job satisfaction. Job satisfaction affects employee performance. This means that job satisfaction plays an

important role in shaping employee attitudes and behavior, which in turn can affect their overall performance. Organizations that pay attention to and increase the level of job satisfaction of their employees can expect increased productivity and achievement of company goals. Work-life balance affects employee performance through job satisfaction as an intervening variable. This means that job satisfaction fully mediates the effect of work-life balance on employee performance. Companies or organizations that understand the importance of work-life balance and work to improve job satisfaction can expect an increase in overall employee performance. Compensation affects employee performance through job satisfaction as an intervening variable. This means that job satisfaction fully mediates the effect of compensation on employee performance. Job satisfaction is an intervening variable that can bridge the relationship between compensation and employee performance. High job satisfaction can strengthen the positive impact of compensation on employee performance. Employees who are satisfied with their compensation tend to be more motivated and committed to their work.

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