

The Role of Work Motivation as a Mediating Influence Between Compensation and Procedural Justice on Job Satisfaction

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ABSTRACT

This study analyzes the effect of compensation and procedural justice on job satisfaction with work motivation as a mediating variable in production employees of PT Royal Korindah Purbalingga. This research uses a quantitative approach with stratified random sampling method. The population amounted to 474 employees, the research sample amounted to 106 employees. Data were analyzed using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) method. The results showed that compensation and procedural justice had a positive and significant effect on job satisfaction and work motivation, work motivation had no significant effect on job satisfaction, work motivation did not mediate the relationship between compensation and procedural justice on job satisfaction. These findings fill the theoretical gap by confirming that the effect of compensation and procedural justice on job satisfaction is not through the mediation path of work motivation.

INTRODUCTION

The development of perceptions about human resources encourages companies to pay more attention to the welfare and job satisfaction of their employees. The way the company treats employees will have a direct effect on individual work attitudes and behavior towards the company (Pathardikar et al., 2022). High job satisfaction can be an incentive for employees to contribute more optimally in driving efficiency and growth in company performance (Yee & Wong, 2022). The utilization of human resources as a strategic asset in the company to date still shows various limitations (Hu et al., 2023). This phenomenon is seen in various industrial sectors, where increasing salaries and other incentives are not always directly proportional to the level of employee job satisfaction. Another factor that plays a role is the lack of transparency in the decision-making process and unfairness in the treatment provided by the company. Decisions that are perceived as unfair, such as in terms of promotions, task assignments, and managerial policies, can demotivate and affect overall job satisfaction levels. When employee job satisfaction is at a low level, it can negatively affect job performance.

PT Royal Korindah is the largest manufacturing company in Purbalingga Regency engaged in the production of false eyelashes. Founded in 1968 as an individual business, the company has continued to experience rapid development to become one of the world's leading manufacturers of false eyelashes. Currently, PT Royal Korindah Purbalingga has 1,270 employees with a production department of 474 employees. The company has an area of 26,359 square meters. In the Purbalingga Regency area, PT Royal Korindah is known as one of the largest employers and contributors to the livelihood and economy in Purbalingga. Many employees have joined PT Royal Korindah even since the beginning of the company (eye-lashes.com).

Based on an interview with Ike HRD PT Royal Korindah, the decline in market demand due to the global economic crisis has caused PT Royal Korindah to experience a decline in production levels. Since 2019, the company has experienced a 30% decline in production and in the current condition the decline has increased to 50%. This condition encouraged the company to take efficiency measures, including reducing employee working hours, eliminating overtime, laying off workers in shifts, early retirement for those who meet the requirements and not extending employment contracts. The impact of this policy resulted in employees being laid off and terminated. PT Royal Korindah experienced a decrease from the previous number of 4,046 employees to 1,270 employees in the current condition.

Job satisfaction in a company provides an overview of the level at which an employee likes his job (Paudel et al., 2024). The level of employee job satisfaction plays an important role in supporting the achievement of company goals, when job satisfaction is low, it has the potential to hinder the achievement of company goals and reduce employee productivity (Permana et al., 2021). Based on an interview with Ike HRD PT Royal Korindah Purbalingga, the level of job satisfaction of production employees fluctuates which is influenced by company conditions. When the company is stable, employee job satisfaction tends to

increase. When company conditions are less stable, employee job satisfaction tends to decrease. This decline is caused by several problems related to compensation, procedural justice and employee motivation.

Compensation is defined as a form of wages or rewards given for employee performance and has a function as a motivational driver and an effective strategy for developing human resources optimally (Permana et al., 2021). Sastrohadiwiryono (2022) explains that compensation is a reward or service provided by the organization to the workforce because the workforce has contributed energy and thoughts for the progress of the organization in order to achieve predetermined goals. Compensation is a form of reward for employee performance that plays an important role in encouraging employee motivation and productivity. Based on an interview with HRD PT Royal Korindah (2025) the decline in employee job satisfaction is caused by compensation that is not in accordance with employee expectations. Research by Assyofa (2023), Permana et al., (2021), Adanlawo et al., (2023), Herispon & Firdaus (2022), states that compensation has a positive and significant effect on job satisfaction. Meanwhile, research by Wulandari & Frianto (2022) and Pertiwi et al., (2023), found that compensation has no effect on job satisfaction. Another factor that affects job satisfaction is procedural justice.

Procedural justice refers to the assessment of employees regarding the fairness applied in the implementation of the decision-making process by covering the procedures and policies applied, the transparency of the process and the voice of employees in the process (Alfano, 2024). Procedural justice is justice created through the application of fair, honest, and consistent rules and procedures in the decision-making process. Based on an interview with HRD PT Royal Korindah (2025) stated that not all employee aspirations received equal attention from the company, so that it could lead to perceptions of injustice in the decision-making process. The process needs to be based on an objective evaluation so that employees feel treated fairly. According to the results of research by Dalimunthe et al., (2023), Shemon et al., (2024), Pathardikar et al., (2022), Yee & Wong (2022), proves that procedural justice has a positive and significant effect on job satisfaction. Furthermore, based on research findings by Sitio (2023) and Thawil & Anwar (2021), to procedural justice has no effect on job satisfaction.

Based on research by Ashary (2022) and Andriani et al., (2023), it shows that compensation and procedural justice are not fully the main factors that determine job satisfaction, but their influence can be strengthened through the role of work motivation as a mediating variable. According to (Ndoloe & Napitupulu, 2024), motivation is a driver for someone to achieve their goals, so that someone has the energy to do their job without coercion from others. Work motivation plays an important role in determining the level of employee job satisfaction. PT Royal Korindah as a manufacturing company with high work intensity in the production section depends on employee work motivation to achieve production targets. Some employees are satisfied with the position they have achieved, but the drive for self-development and career advancement tends to be low. Based on an interview with the HRD of PT Royal Korindah (2025), the desire to master

all the tasks assigned and maximum efforts to show their abilities and gain recognition in the work environment reflect achievement motivation and the need for recognition. The results of research by Saragih et al., (2024), Serang et al., (2023), Suprapti et al., (2020) suggest that motivation has a positive and significant effect on job satisfaction. Conversely, it is different from the results of research by Dongoran et al., (2020), Gultom (2024), Hajiali et al., (2022) which suggests that work motivation has no effect on job satisfaction.

The foundation of this research refers to research conducted by Permana et al., (2021) with compensation and job satisfaction variables and supporting research by Andriani et al., (2023) with procedural justice variables, job satisfaction and work motivation. This research is included in the type of development research by adding procedural justice variables and work motivation variables acting as mediators. This study is intended to examine the role of work motivation as a mediating variable in influencing compensation and procedural justice on job satisfaction. The researcher's interest in conducting this research is motivated by inconsistent research findings and research gaps, especially related to the variables that researchers use, then there are still phenomena in the company that still need to be researched.

LITERATURE REVIEW

Two-Factor Theory

The Two-Factor Theory by Frederick Herzberg (1959) focuses on certain factors in the work environment that can influence employee motivation and behavior. Herzberg states that employees in carrying out their work are influenced by two factors, namely motivational factors and hygiene factors. This theory suggests that the two factors function differently in influencing job satisfaction. Motivational factors are needed to increase satisfaction and encourage employees to perform better. Hygiene factors are necessary to prevent dissatisfaction, but not sufficient to create high job satisfaction. Overall, the theory illustrates that various elements in the work environment can influence employee satisfaction and dissatisfaction. Understanding and applying this theory, allows companies to realize a more supportive work environment to increase employee motivation, satisfaction, and performance.

Procedural Justice Theory

The theory of procedural justice proposed by Thibaut and Walker (1975) states that procedural justice is a form of justice determined by the extent to which individuals have control or participation in the decision-making process. Perceptions of justice are more influenced by procedural aspects such as opportunities to express opinions and involvement in the process compared to the final outcome of the decision. Procedural justice emphasizes the importance of transparent, participatory, and impartial procedures as a basis for building trust and acceptance of decisions. This concept is closely related to Herzberg's (1959) Two-Factor Theory, where procedural justice can be categorized as a hygiene factor because it relates to company policies. The implementation of fair procedures does not directly increase job satisfaction, but it can prevent dissatisfaction and create a stable work environment.

Effect of Compensation on Job Satisfaction

Herzberg's Two-Factor Theory (1959) states that compensation is included in the hygiene factor, where a fair and competitive compensation system is an important factor in minimizing job dissatisfaction. Research by (Ashary, 2022), states that providing fair and adequate compensation, both in material and non-material forms, has a significant role in creating higher employee job satisfaction. The effect is that the better the compensation given to employees will increase the job satisfaction of the production department of PT Royal Korindah Purbalingga. These results strengthen the findings obtained in research by Permana et al., (2021), Adanlawo et al., (2023), Herispon & Firdaus (2022) which found that compensation has a significant positive impact on job satisfaction.

H1 : Compensation has a positive and significant effect on Job Satisfaction

The Effect of Procedural Justice on Job Satisfaction

According to Thibaut and Walker (1975) Procedural Justice Theory emphasizes that perceptions of fairness in a consistent, transparent, and unbiased decision-making process contribute to increased employee job satisfaction. According to research by (Dalimunthe et al., 2023), procedural justice relates to fairness when companies make decisions by involving employees with fair and appropriate goals. Another study by (Shemon et al., 2024), concluded that employees who feel fair treatment in the decision-making process tend to show higher satisfaction with their work. The effect is that the more procedurally fair to all employees will increase the job satisfaction of the production employees of PT Royal Korindah Purbalingga. Similar findings are supported in other studies by Alfano (2024), Mami et al., (2024), Yee & Wong (2022) which states that procedural justice contributes positively and significantly in influencing employee job satisfaction.

H2 : Procedural Justice has a positive and significant effect on Job Satisfaction

Effect of Compensation on Work Motivation

According to Herzberg (1959), the Two-Factor Theory states that adequate and proportional compensation not only serves as a driver to increase employee motivation, but also contributes to optimizing employee participation towards achieving company performance. Findings obtained from research (Haposan & Supartha, 2023), which identified that compensation as one of the main strategies that companies can use to encourage increased employee motivation and strengthen overall company performance. Another study by (Kholik et al., 2024), found that motivated individuals will perform better because they want to get rewards from the company. The effect is that the better the compensation provided will increase the work motivation of the production employees of PT Royal Korindah Purbalingga. The results of this study strengthen research by Damayanti et al., (2024), Selfianus et al., (2023) and Kurnia et al., (2024) which proves that compensation positively and significantly affects work motivation.

H3: Compensation has a positive and significant effect on Work Motivation

The Effect of Procedural Justice on Work Motivation

According to Thibaut and Walker (1975) Procedural Justice Theory emphasizes that work motivation is influenced by perceptions of process justice, where transparent and participatory procedures can strengthen trust and increase employee engagement. Research from (Mami et al., 2024), reveals that employee perceptions of fairness in company procedures encourage increased employee motivation to make a positive contribution to the company. Another study by (Zhao et al., 2024), indicates that the application of fairness in company procedures has the potential to spur employee motivation to make the best contribution to realizing company goals. The effect is that the more employees who feel procedural justice, the work motivation will increase in the production department of PT Royal Korindah Purbalingga. This finding strengthens research by Andriani et al., (2023), Soegesti & Anggarini (2021), Ananda & Nazmah (2023), which states that procedural justice positively and significantly affects work motivation.

H4: Procedural Justice has a positive and significant effect on Work Motivation

The Effect of Work Motivation on Job Satisfaction

According to Herzberg (1959) in the Two-Factor Theory states that work motivation is closely related to motivational factors that encourage employees to work harder and generate positive feelings towards the work itself. Research by (Pancasila et al., 2025), reveals that employees with strong motivation tend to have a better level of job satisfaction, because employees feel involved and have clear goals in the work they do. The effect is that the work motivation given to employees if it is in accordance with what is needed will increase job satisfaction in the production department of PT Royal Korindah Purbalingga. Similar findings are supported by research Astuti & Kustini (2024), Serang et al., (2023), Suprapti et al., (2020), Ndoloe & Napitupulu, (2024) , which proves that positively and significantly work motivation affects job satisfaction.

H5: Work Motivation has a positive and significant effect on Job Satisfaction

Work Motivation Mediates the Effect of Compensation on Job Satisfaction

Work motivation in this study acts as a mediator that links the influence of compensation and procedural justice on job satisfaction. Herzberg's Two-Factor Theory (1959) states that providing fair and appropriate compensation can encourage increased work motivation which in turn has a positive impact on the level of employee job satisfaction. Employees who feel that the compensation received is in accordance with their contribution tend to have higher motivation to improve performance. Increased work motivation will then influence a positive attitude towards their work, which will then foster higher job satisfaction in the production department of PT Royal Korindah Purbalingga. Based on research conducted by Ashary (2022) and Restuanto & Yuliantini (2023) found that work motivation is able to become an intermediary to strengthen the effect of compensation on job satisfaction.

H6: Work Motivation mediates the effect of Compensation on Job Satisfaction

Work Motivation Mediates the Effect of Procedural Justice on Job Satisfaction

According to the Procedural Justice Theory proposed by Thibaut and Walker (1975), employee perceptions of procedural justice in the company play an important role in increasing motivation and have an effect on increasing overall job satisfaction. When employees feel high procedural justice, they tend to assess that the company values their contributions and treats them equally. Increased work motivation then encourages positive employee behavior and maximizes employee job satisfaction in the production department of PT Royal Korindah Purbalingga. Research by Andriani et al., (2023) proves that work motivation is able to become an intermediary to strengthen the influence of procedural justice on job satisfaction.

H7: Job Motivation mediates the effect of Procedural Justice on Job Satisfaction.

Research Model

Based on the explanation of the hypothesis above, the seven hypotheses will be formulated in a research model as follows:

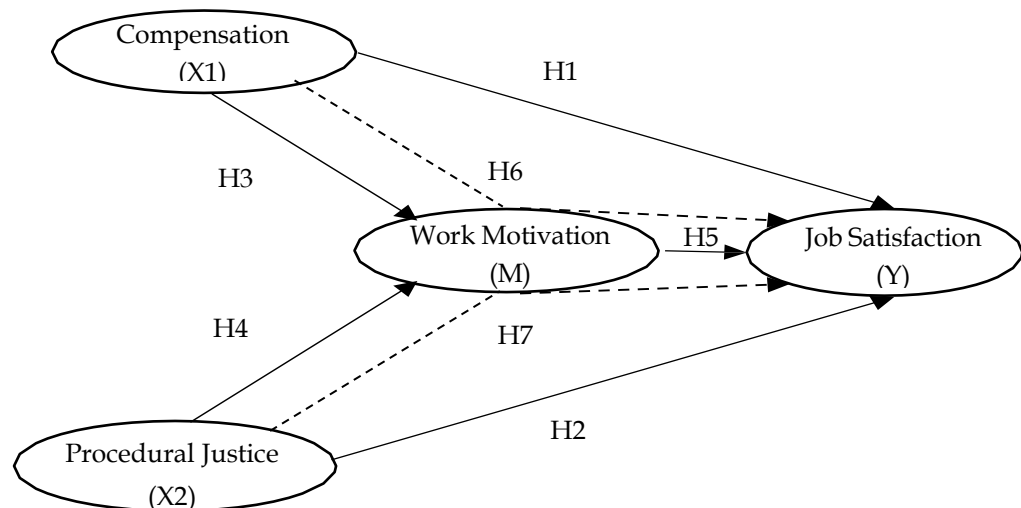


Figure 1. Framework of Thought

METHODOLOGY

Quantitative methods are used in this study to examine the effect of compensation and procedural justice on job satisfaction with work motivation acting as a mediating variable. According to research Manopo et al., (2023), compensation indicators include wages/salaries, incentives, allowances, and facilities. According to Niehoff & Moorman (1993) in research (Pandita & Musoli, 2019), there are two indicators of procedural justice including fair formal procedures and interactional justice. According to David McClelland in research (Djaya, 2021), work motivation consists of 3 indicators, namely the need for achievement, the need for affiliation, the need for power. Meanwhile, job satisfaction has five indicators according to Luthans (2006) in research Khasana et al., (2022) namely the job itself, promotion opportunities, supervision, coworkers and working conditions.

The population of this study included 474 employees of the production department of PT Royal Korindah Purbalingga. The number of respondents was calculated using the slovin formula with a margin of error of 10% resulting in 106 respondents. The stratified random sampling method was used in this study. The population in this method is divided into subgroups based on certain characteristics, then taken randomly with the aim of ensuring that each stratum in the subgroup can be well represented so that the research is more accurate (Sugiyono, 2017). Primary data comes from respondents' answers through questionnaires that are filled in directly using Likert scale measurements with the following five answer options: (1) Strongly Disagree; (2) Disagree; (3) Neutral; (4) Agree; (5) Strongly Agree. The Structural Equation Modeling-Partial Least Squares (SEM-PLS) method was applied in data analysis using SmartPLS version 3.2.9.

RESEARCH RESULT

Characteristics of Respondents

The sample size in this study consisted of 106 employees working in the production department of PT Royal Korindah Purbalingga. Female respondents dominated the total number with 59 people (55.66%) and male respondents totaled 47 people (44.34%). The difference in gender proportions of both male and female employees has similar responsibilities and roles in carrying out tasks in the company. Most of the respondents belong to the age group 21-40 years as many as 91 people (85.85%). Employees in this age range are generally at a productive stage, more open to accepting new challenges and opportunities, and have relatively high motivation in achieving company targets. Based on education level, the majority of respondents have a high school / vocational high school educational background as many as 91 people (85.85%), reflecting the dominance of a young and productive workforce. In terms of tenure, the majority of respondents (63 people (59.43%)) have worked for less than 1 year, indicating a high proportion of new employees in the company. In terms of marital status, the majority of respondents were unmarried as many as 78 people (73.58%), reflecting employees who generally do not have the burden of family responsibilities, so they are more flexible in adjusting to work demands.

Measurement Model Analysis (Outer Model)

Convergent Validity

This research analysis was conducted using the SEM-PLS method with the following analysis results:

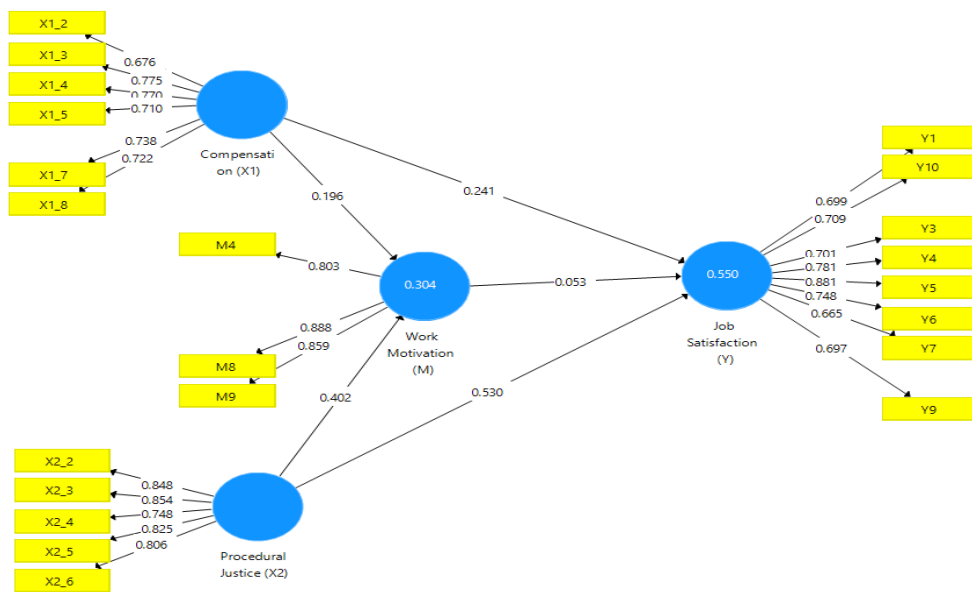


Figure 2. Validity Test

The results of measuring outer loading are obtained through the correlation between indicators and variables. An indicator is declared valid if the correlation value is higher than 0.7. However, the loading factor value with a minimum value of 0.6 is still acceptable and is considered adequate (Haryono, 2016). Based on Figure 2, the outer loading value of less than 0.60 has been eliminated from the model, namely the indicators X1.1, X1.6, X2.1, Y.2, Y.8, M.1, M.2, M.3, M.5, M.6, and M.7. Furthermore, the AVE value for each construct is presented in the following table:

Table 1. AVE Values

Variables	Average Variance Exrected (AVE)
Compensation (X1)	0,537
Procedural Justice (X2)	0,668
Job Satisfaction (Y)	0,545
Work Motivation (M)	0,723

Based on the analysis of table 1, it shows that the AVE value of each variable is higher than 0.5, so it is in accordance with the AVE calculation. This finding indicates that each variable has met the criteria for convergent validity.

Discriminant Validity

Discriminant validity has a function to test the extent to which the constructs in the measurement model have clear differences from each other. Table 2 presents the test results based on the Fornell-Larcker criterion, through a comparison between the square root of the AVE of each construct against its correlation with other constructs.

Table 2. Fornell-Larcker Discriminant Validity

	PJ	JS	C	WM
Procedural Justice (X2)	0,817			
Job Satisfaction (Y)	0,715	0,738		
Compensation (X1)	0,653	0,611	0,733	
Work Motivation (M)	0,531	0,445	0,459	0,850

The analysis findings show that the AVE square root value of each construct is higher than its correlation value with other constructs. The analysis results indicate that the model has met the criteria for discriminant validity and there is no measurement overlap (Hair et al., 2019).

Reability Test

This study measures construct reliability through Cronbach's Alpha and Composite Reability values to assess the level of consistency of the indicators used.

Table 3. Reability Test

	Cronbach's Alpha	Composite Reability
Procedural Justice (X2)	0,875	0,909
Job satisfaction (Y)	0,880	0,905
Compensation (X1)	0,827	0,874
Work Motivation (M)	0,807	0,887

Based on table 2, all constructs analyzed in this study obtained Cronbach's Alpha and Composite Reability values exceeding the minimum value of 0.70. The feasibility of constructs with a high level of reliability allows for further analysis of the structural model evaluation process or inner model (Hair et al., 2019).

Structural Model Analysis (Inner Model)

R-Square

Table 4. R² Values

	R-Square	Adjusted R-Square
Job satisfaction (Y)	0,550	0,537
Work Motivation (M)	0,304	0,290

R-Square serves to measure the proportion of variation in the dependent variable that can be explained by the independent variables in the model. Based on the data presented in table 3, the job satisfaction variable is explained by 0.550 or 55% by compensation, procedural justice, and work motivation. While the remaining 45% is influenced by other factors outside this research model. The work motivation variable is explained by 0.304 or 30.4% by compensation, procedural justice, and job satisfaction while the other 69.6% is explained by other factors outside this research model.

F-Square

Table 5. F² Values

	JS (Y)	WM (M)
Compensation (X1)	0,072	0,032
Procedural Justice (X2)	0,316	0,133
Work Motivation (M)	0,004	

The F-Square value is categorized as weak if ≥ 0.02 , moderate if ≥ 0.15 , and strong if ≥ 0.35 (Haryono, 2016). Based on the results of the analysis, compensation has a weak effect on job satisfaction of 0.072 and on work motivation of 0.032. Procedural justice has a moderate effect on job satisfaction of 0.316 and a weak effect on work motivation of 0.133. Job satisfaction is influenced by work motivation by 0.004, which is below the weak threshold. It can be concluded that the procedural justice variable contributes the largest influence in this research model on job satisfaction, while the influence of other variables is relatively weak, so it is still relevant for further research in different contexts or objects to strengthen understanding of the relationship variables.

Predictive Relevance (Q²)

Table 6. Predictive Relevance (Q²) Values

	SSO	SSE	Q ² (=1-SSE/SSO)
Procedural Justice (X2)	530.000	530.000	
Job Satisfaction (Y)	848.000	617.474	0,272
Compensation (X1)	636.000	636.000	
Work Motivation (M)	318.000	253.226	0,204

Based on the results of the analysis, job satisfaction and work motivation have Q² values of 0.272 and 0.204, respectively. A Q² value greater than zero indicates that the model has predictive ability of endogenous constructs. According to Hair et al. (2019), a Q² value between 0.15 and 0.35 indicates moderate predictive ability. Thus, the Q² value in the job satisfaction construct indicates that the model has a fairly good predictive ability, while the Q² value in the work motivation construct shows sufficient predictive ability.

Collinearity Statistics (VIF)

Table 7. Collinearity Statistics (VIF) Values

	JS (Y)	WM (M)
Procedural Justice (X2)	1,975	1,742
Compensation (X1)	1,797	1,742
Work Motivation (M)	1,436	

Based on the analysis results, all independent construct VIF values show numbers ranging from 1,436 to 1,975. According to Hair et al. (2019), all VIF values are <3.3, indicating that there is no multicollinearity between predictor constructs in this model. Thus, there is no problem of high correlation between independent variables that can interfere with the interpretation of the relationship between constructs. This supports that this research model has met one of the model feasibility requirements.

Hypothesis Test

Hypothesis testing aims to assess the significance of the influence between variables in the research model. According to Hair et al. (2019), the significance of the relationship between variables can be determined when the p value <0.05 and the T-statistic value > 1.96.

Table 8. Hypothesis Test

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Result
C -> JS	0,241	2,256	0,012	H1 Accepted
PJ -> JS	0,530	4,789	0,000	H2 Accepted
C -> WM	0,196	2,207	0,014	H3 Accepted
PJ -> WM	0,402	3,939	0,000	H4 Accepted
WM -> JS	0,053	0,472	0,319	H5 Rejected
C -> WM -> JS	0,010	0,414	0,340	H6 Rejected
PJ -> WM -> JS	0,021	0,415	0,339	H7 Rejected

Table 4 presents the results of the analysis of direct and indirect effects obtained from this study: Significant effect of Compensation on Job Satisfaction (H1) with t-statistics 2.256 and p-values 0.012; Significant effect of Procedural Justice on Job Satisfaction (H2) with t-statistics 4.789 and p-values 0.000; Significant effect of Compensation on Work Motivation (H3) with t-statistics 2.207 and p-values 0.014; Significant effect of Procedural Justice on Work Motivation (H4) with t-statistics 3.939 and p-values 0.000; The insignificant effect of Work Motivation on Job Satisfaction (H5) with t-statistics 0.472 and p-values 0.319; The indirect effect of Compensation on Job Satisfaction through Work Motivation (H6) with t-statistics 0.414 and p-values 0.340 > 0.05 is not significant; and the effect of Procedural Justice on Job Satisfaction through Work Motivation (H7) with t-statistics 0.415 and p-values 0.339 > 0.05 is not significant.

DISCUSSION

Based on the test results that have been conducted, compensation affects job satisfaction positively and significantly in the production department of PT Royal Korindah. Compensation components include wages/salaries, incentives, allowances, and facilities provided by the company are considered to be in accordance with employee needs. The company ensures that the compensation system implemented is good enough by providing bonuses or incentives for production employees who achieve targets and providing relevant benefits to support employee welfare. These results strengthen the research of Assyofa (2023), Adanlawo et al., (2023), Herispon & Firdaus (2022) which show that compensation has a positive and significant effect on job satisfaction.

The results indicate that procedural justice affects job satisfaction positively and significantly. When employees feel that procedures in the company are fair, consistent, and transparent, it has the potential to increase employee job satisfaction. Decision making by ensuring openness and involving employees can strengthen perceptions of fairness and increase employee loyalty and satisfaction with the company. This finding reinforces research from Dalimunthe et al., (2023), Mami et al., (2024), Yee & Wong (2022) which emphasizes that procedural justice has a positive and significant impact on job satisfaction.

The research findings indicate that there is a positive and significant relationship between compensation and work motivation. Providing proper compensation from the company contributes to increasing employee morale and drive to achieve targets. The production department of PT Royal Korindah tends to be routine and busy, so proper compensation and incentives are important factors to keep work motivation high. Providing appropriate compensation will make employees feel recognized for their contribution to the company. The results obtained strengthen the research of Damayanti et al., (2024), Kholik et al., (2024), Haposan & Supartha, (2023) which shows that compensation has a positive and significant effect on work motivation.

The research findings prove that increasing work motivation is positively and significantly influenced by procedural justice. The implementation of fair work procedures in terms of division of tasks, performance evaluation, and provision of incentives can motivate employees to work so that they are more enthusiastic and productive. Fairness in every decision-making process that involves employee participation can increase their trust in the company so as to encourage motivation to provide optimal performance. This finding is supported by Andriani et al., (2023), Soegesti & Anggarini (2021), Ananda & Nazmah (2023) which indicates that procedural justice has a positive and significant effect on work motivation.

Based on the results of the study, work motivation is proven not to make a significant contribution in influencing job satisfaction through the results of this study. Employees do not have a strong enough internal drive at work, both in terms of participation, job ambition, task mastery, and desire to develop. Low work motivation is unable to encourage employees to feel satisfied with their work, even though other factors such as compensation and procedural justice

have been well pursued by the company. Research by Gultom (2024) emphasizes that the relationship between work motivation and job satisfaction is not always in line with improving employee performance. An employee may be satisfied with his job but not motivated to achieve optimal performance. The results of this study support previous findings by Hajjali et al., (2022) and Dongoran et al., (2020) which indicates that work motivation has no significant effect on job satisfaction.

Based on the results of the analysis, work motivation does not act as a mediator between compensation and job satisfaction. Employees' perceptions of compensation are still relatively low, such as in terms of the mismatch between salary and workload, the lack of appreciation for outstanding employees, dissatisfaction with bonuses, payment outside working hours, and health insurance. The mismatch between expectations and reality towards compensation causes work motivation to be poorly formed. This finding reinforces the view that providing compensation that is fair, appropriate, and in accordance with employee expectations is an important condition for forming strong work motivation so that it can have an impact on employee job satisfaction. This research is supported by Sinaga et al., (2023) and Saragih et al., (2024) which indicates that work motivation cannot mediate the effect of compensation on job satisfaction.

The results of the analysis indicate that the effect of procedural justice on job satisfaction is not mediated by work motivation. Low perceptions of fairness in the decision-making process such as the desire to participate in activities, drive for achievement, and mastery of tasks lead to a decrease in the level of work motivation. This condition indicates that processes and treatments that are perceived as unfair can inhibit the formation of motivation, so that work motivation cannot strengthen the relationship between procedural justice and job satisfaction. Meanwhile, other studies have not been found to support similar results so that these findings contribute to the human resource management literature, especially in understanding the direct role between perceptions of procedural justice and job satisfaction.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results and discussion, it can be concluded that adequate compensation and a fair, transparent, and consistent decision-making process can increase job satisfaction and work motivation of PT Royal Korindah production employees. This shows that the application of the two-factor theory and procedural justice theory can explain the direct contribution between compensation and procedural justice to increase job satisfaction and better employee motivation. However, this study found that employees who have a high level of work motivation are not always satisfied with their jobs. Job satisfaction of PT Royal Korindah production employees is more directly determined by the provision of adequate compensation and involvement in the decision-making process without having to go through increased work motivation.

For the management of PT Royal Korindah, it is recommended to conduct a comprehensive evaluation of the compensation system and managerial policies

that apply both in terms of incentives, benefits, and work facilities. The company needs to increase transparency and fairness in the decision-making process, provide rewards and incentives that are equal to performance, and strengthen two-way communication between superiors and employees. In addition, it is important for companies to create a work environment that supports active employee participation, provides room for career development and responsibility, ensures the availability of work facilities and effective managerial supervision. With improvements in these aspects, it is expected that employee motivation and job satisfaction can increase so as to encourage higher productivity and work commitment in the production department.

ADVANCED RESEARCH

Future research is recommended to develop a research model by adding other mediating variables to understand other factors that influence job satisfaction. In addition, the expansion of research objects in different sectors or companies is expected to have new findings. The development of measurement instruments that are more contextual and in accordance with the characteristics of the population also needs to be done to improve data validity and reliability.

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