

## The Effect of Work Life Balance and Compensation on Employee Performance with Job Satisfaction as a Mediating Variable in Gen Z Employees

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### ABSTRACT

This study examines the impact of work-life balance and compensation on employee performance among Generation Z employees at Bento Kopi Yogyakarta, using job satisfaction as a mediating variable. Employing a descriptive quantitative approach with purposive sampling of 150 employees, the research utilized Partial Least Square (PLS) analysis through SmartPLS 3 software. Findings reveal positive significant relationships: work-life balance and compensation positively influence job satisfaction, which in turn significantly affects employee performance. The study demonstrates partial mediation of job satisfaction between work-life balance and compensation with employee performance, providing insights into workforce dynamics for Generation Z

## INTRODUCTION

The dramatic transformation in the work environment due to the COVID-19 pandemic has raised serious issues related to employee performance, especially among Generation Z. The “quiet quitting” phenomenon that emerged at Bento Kopi Yogyakarta was characterized by a decline in Gen Z employee performance, such as limiting themselves to minimal tasks, decreasing service quality, and unwillingness to work outside standard operating hours (Formica & Sfodera, 2022). Gen Z's unique characteristics of prioritizing mental health, work-life balance, and being motivated by compensation (Kompasiana, 2024) create its own challenges in performance management.

The first research gap is seen in the inconsistency of research results related to employee performance. Some studies found a positive effect of work-life balance on performance (Ingsih et al., 2022; Wong et al., 2020), while Irfan et al. (2021) found no significant effect. Likewise with compensation, where Kanapathippillai et al. (2019) and Kim & Jang (2020) found a positive influence on performance, but contrary to the findings of Idris et al. (2020) and Watto et al. (2023) who did not show a significant effect.

The second research gap arises in the role of job satisfaction as a mediator. Research by Jayaraman et al. (2023) and Kowalski et al. (2022) showed that job satisfaction effectively mediates the relationship between work-life balance and employee performance. However, other studies by Talukder et al. (2018) and Udin (2023) found that work-life balance can directly improve performance without requiring job satisfaction mediation. Regarding compensation, some studies show the mediating effect of job satisfaction (Alkandi et al., 2023; Gilli et al., 2022), while other studies find a direct effect of compensation on performance without mediation (Bagaskoro et al., 2016; Pramudena et al., 2021).

The characteristics of Gen Z add to the complexity of this issue. Surveys show 54% of Gen Z employees find it difficult to achieve work-life balance (Kompas.com, 2021), and they are more prone to burnout. Gen Z has different expectations of the work environment, prioritizes flexibility and mental well-being (Boy & Sürmeli, 2023), and is more vocal in expressing job dissatisfaction through social media (Scheyett, 2023). At Bento Kopi Yogyakarta, Gen Z employees are required to have multifunctional capabilities, from service to operations, which can affect their level of satisfaction and performance.

Performance issues are increasingly complex considering that Gen Z dominates 27.94% of the Indonesian workforce (Jayadi, 2020), especially in the food & beverage sector. The quiet quitting phenomenon that arises in response to job dissatisfaction has the potential to reduce productivity (Hardiantoro & Hardiyanto, 2022) and create a less than optimal work environment. Professor Maria Kordowicz asserts that quiet quitting is closely related to decreased levels of job satisfaction (Nabilah et al., 2023), which in turn affects performance.

This study aims to fill the research gap by comprehensively analyzing how work-life balance and compensation affect Gen Z employee performance at Bento Kopi Yogyakarta, with job satisfaction as a mediating variable. An in-depth understanding of this relationship is crucial given that no research has

specifically examined these four variables in the context of Gen Z employees in the food & beverage industry, particularly in coffee shops.

## LITERATURE REVIEW

Based on Social Exchange Theory (SET) (Blau, 1964), social relationships are based on the norm of reciprocity, where both parties give and receive benefits. (Gouldner, 1960). This theory explains that when someone provides an advantage or benefit to another person, the person who receives the benefit tends to reciprocate by providing benefits and favorable treatment to the person who provided the previous benefit. (Coyle-Shapiro & Shore, 2007). In the context of organizational behavior, social exchange theory is often used to explain how interpersonal relationships between employees and employers are formed and maintained, especially with regard to reciprocity procedures. (Chen et al., 2005; Rawshdeh et al., 2019). This explanation reveals the reasons why workers choose to engage more or less in their tasks. (Lee & Veasna, 2013) Organizational support systems influence creativity and other positive behaviors of employees. (Amabile et al., 2004)

According to Armstrong (2006) work-life balance defines how organizations intend to give employees more flexibility in organizing their work patterns, so that they can balance work duties with responsibilities and interests outside of work. According to Fisher et al. (2023) work-life balance programs aim to help employees overcome the challenges associated with balancing work demands and responsibilities outside of work. By joining this program, employees can manage their time and energy more effectively, thereby improving their productivity and overall well-being. Work-life balance is when a person maintains a balance between work and personal life, and divides time appropriately between business and family or leisure (Nazneen, 2023).

According to Dessler (2020) Compensation includes any form of payment given to workers in return for their work. According to Bhatia (2009) Compensation is an organized way of giving money to workers in exchange for their work. Compensation is a tool used by management for various purposes to support the existence of the company. Payment of compensation to reward the contributions made by employees is a very important aspect of building strong working relationships. It is the right way to show appreciation and honor their hard work and dedication (Fulmer et al., 2023).

According to Griffin et al. (2019) Job satisfaction is a very important attitude in organizations. It reflects the positive feelings that individuals have towards their jobs. These feelings are based on personal evaluations of performance, work environment, and satisfaction with the results achieved (Mathis et al., 2017). According to Armstrong (2006) Work can cause good or bad feelings and attitudes in a person. If a person has positive and pleasant feelings and attitudes towards their work, it indicates satisfaction at work. Conversely, if a person has negative and unpleasant feelings and attitudes towards their work, it indicates dissatisfaction at work.

According to Thao & Hwang (2010) Employee Performance is the successful completion of tasks by a person or several selected people, as determined and measured by superiors or organizations, with acceptable standards that have been previously set, while efficiently and effectively utilizing available resources in a changing environment. Performance or work performance is an assessment of the quality and quantity of results obtained by an employee in carrying out his duties in accordance with the responsibilities given. This is the most important measure in evaluating the success of an employee in an organization (Hermina & Yosepha, 2019). Based on Darvishmotevali & Ali (2020) employee performance is the extent to which a worker can properly and effectively carry out his duties and obligations.

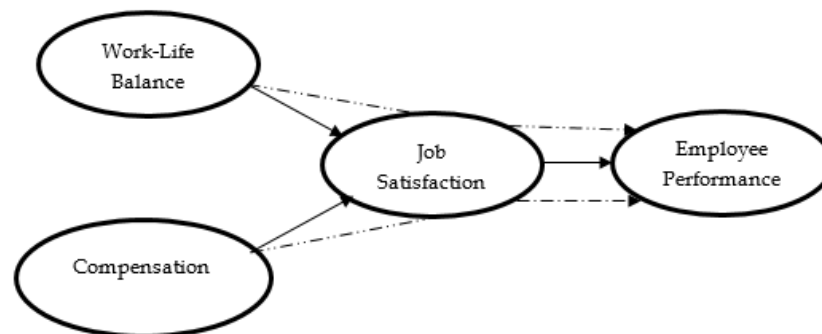


Figure 1. Conceptual Framework

### Research Hypothesis

#### 1. *The Effect of Work Life Balance on Job Satisfaction in Gen Z Employees at Bento Kopi Yogyakarta*

According to research conducted by Wong et al. (2020) it has been proven that work life balance has a positive and significant influence on employee job satisfaction. The results of this study were then reinforced by several other studies, such as those conducted by (Ingsih et al., 2022; Irawanto et al., 2021; Susanto et al., 2022; Znidaršič & Marič, 2021). This shows that work-life balance is indeed an important factor in increasing employee job satisfaction.

H1: Work life balance has a positive effect on job satisfaction among Gen Z employees at Bento Kopi Yogyakarta.

#### 2. *The Effect of Compensation on Job Satisfaction in Gen Z Employees at Bento Kopi Yogyakarta*

Ohunakin & Olugbade (2022) have successfully proven that the compensation provided to employees has a significant positive influence on their level of job satisfaction. The results of this study are in line with the findings reported by Zayed et al. (2022) who also showed a strong positive relationship between compensation and employee job satisfaction. So, it is known that compensation is one of the factors that is strong enough to create employee job satisfaction at work.

H2: Compensation has a positive effect on job satisfaction in Gen Z employees at Bento Kopi Yogyakarta.

### ***3. The Effect of Job Satisfaction on Employee Performance on Gen Z Employees at Bento Kopi Yogyakarta***

In research conducted by Hee et al. (2018) they found a significant correlation between job satisfaction and employee performance. This shows that when employees are satisfied with their jobs, it can encourage them to work better and achieve more optimal results. Recent research conducted by Rodrigo et al. (2022) also reinforces these findings. They emphasized that employees who feel satisfied with their jobs tend to make greater contributions to the organization. Job satisfaction can increase employee motivation, commitment, and productivity, which in turn has a positive impact on their performance.

H3: Job satisfaction has a positive effect on employee performance on Gen Z employees at Bento Kopi Yogyakarta.

### ***4. The Effect of Work Life Balance on Employee Performance on Gen Z Employees at Bento Kopi Yogyakarta***

Based on the results of recent research conducted by several scientists (Ingsih et al., 2022; Susanto et al., 2022; Wong et al., 2020) it can be concluded that work-life balance has a significant positive effect on employee performance. This shows how important it is for employees to be able to achieve a good balance between work demands and responsibilities outside of work.

H4: Work life balance has a positive effect on employee performance among Gen Z employees at Bento Kopi Yogyakarta.

### ***5. The Effect of Compensation on Employee Performance on Gen Z Employees at Bento Kopi Yogyakarta***

Based on research conducted by (Kanapathippillai et al., 2019; Kim & Jang, 2020) It was found that compensation has a positive impact on employee performance. These results emphasize the importance for companies to offer competitive and fair compensation packages to their employees.

H5: Compensation has a positive effect on employee performance among Gen Z employees at Bento Kopi Yogyakarta.

### ***6. The Effect of Work Life Balance on Employee Performance Mediated by Job Satisfaction on Gen Z Employees at Bento Kopi Yogyakarta***

Aruldoss et al. (2021) shows that job satisfaction plays an important role as a mediator in the relationship between work-life balance and employee performance. This is in line with research conducted by (Hasan et al., 2021; Ingsih et al., 2022) which also concluded that work life balance affects employee performance through job satisfaction as an intermediary variable.

H6: Work life balance affects employee performance mediated by job satisfaction on Gen Z employees at Bento Kopi Yogyakarta.

### ***7. The Effect of Compensation on Employee Performance Mediated by Job Satisfaction on Gen Z Employees at Bento Kopi Yogyakarta***

In research (Anwar & Ikratullah, 2022; Ingsih et al., 2022) concluded that there is an effect of compensation on employee performance mediated by job satisfaction. Providing fair and reasonable compensation based on employee contributions can make them feel valued and treated fairly by the company. Competitive compensation also instills a sense of pride in employees to work for the company. This feeling of being valued and proud will certainly increase

employees' overall job satisfaction with their work and the company where they work.

H7: Compensation affects employee performance mediated by job satisfaction in Gen Z employees at Bento Kopi Yogyakarta.

## METHODOLOGY

This research uses quantitative methods with hypothesis testing. This method is based on the principles of positivism, in which researchers investigate certain populations or samples using research instruments to test previously established hypotheses. The purpose of this study was to examine the influence of work-life balance, compensation, and job satisfaction on Gen Z employee performance at Bento Kopi Yogyakarta. The data was collected through a survey using a questionnaire, then statistically processed with SmartPLS 3. The study population consisted of 150 staff employees of Bento Kopi Yogyakarta, and the sampling technique used was purposive sampling due to the limited population.

## RESEARCH RESULT

Table 1. Loading Factor Value

Question Item	Loading Factor Value	Status
X1.1	0,844	Valid
X1.2	0,837	Valid
X1.3	0,837	Valid
X1.4	0,824	Valid
X1.5	0,898	Valid
X1.6	0,841	Valid
X1.7	0,851	Valid
X1.8	0,879	Valid
X1.9	0,768	Valid
X1.10	0,832	Valid
X1.11	0,805	Valid
X1.12	0,879	Valid
X1.13	0,806	Valid
X1.14	0,856	Valid
X2.1	0,867	Valid
X2.2	0,817	Valid
X2.3	0,820	Valid
X2.4	0,824	Valid
X2.5	0,796	Valid
X2.6	0,853	Valid
X2.7	0,855	Valid
X2.8	0,874	Valid
X2.9	0,805	Valid
X2.10	0,851	Valid
X2.11	0,820	Valid
X2.12	0,819	Valid

Question Item	Loading Factor Value	Status
X2.13	0,849	Valid
M.1	0,765	Valid
M.2	0,732	Valid
M.3	0,715	Valid
M.4	0,722	Valid
M.5	0,767	Valid
M.6	0,792	Valid
M.7	0,776	Valid
M.8	0,815	Valid
M.9	0,723	Valid
M.10	0,841	Valid
M.11	0,793	Valid
M.12	0,830	Valid
M.13	0,854	Valid
M.14	0,854	Valid
M.15	0,822	Valid
M.16	0,838	Valid
Y.1	0,800	Valid
Y.2	0,790	Valid
Y.3	0,814	Valid
Y.4	0,836	Valid
Y.5	0,825	Valid
Y.6	0,821	Valid
Y.7	0,848	Valid
Y.8	0,888	Valid
Y.9	0,856	Valid
Y.10	0,872	Valid

Source: Data Processed with SmartPLS 3 (2024)

Table 1 above shows that all statement items are valid because they have a loading factor value  $\geq 0.7$ . Convergent validity testing is done using Average Variance Extracted (AVE). The standard value used in testing convergent validity using AVE is  $> 0.5$ . The purpose of using AVE in the validity test is to find out how much the latent variable is stated in accordance with the wishes of the respondent. The following are the results of data processing for the AVE value.

Table 2. Average Variance Extrancted (AVE) Value

No	Variables	AVE	Status
1	Work Life Balance	0,627	Valid
2	Compensation	0,706	Valid
3	Job Satisfaction	0,697	Valid
4	Employee Performance	0,698	Valid

Source: Data Processed with SmartPLS 3 (2024)

Table 2 above shows that the Average Variance Extrancted (AVE) value on all variables is valid with an AVE value > 0.05.

Table 3. Heterotrait-Monotrait Ratio Value

	M	X1	X2	Y
M				
X1	0,631			
X2	0,654	0,456		
Y	0,730	0,638	0,635	

Source: Data Processed with SmartPLS 3 (2024)

Table 3 above shows that the Heterotrait-Monotrait Ratio is valid because the value is <0.90. In addition, discriminant validity can also be measured using Cross Loading. The Cross Loading value is said to be valid if the outer loading value on the related construct is greater than the unrelated construct, in accordance with the criteria of Hair et al. (2017) which states that the Cross Loading value is declared valid if the outer loading  $\geq 0.7$ . The following is a table of the Cross Loading value of each instrument:

Table 4. Cross Loading Score

	M	X1	X2	Y
	<b>0,765</b>	0,495	0,549	0,609
	<b>0,732</b>	0,450	0,498	0,449
	<b>0,715</b>	0,457	0,533	0,615
	<b>0,722</b>	0,407	0,425	0,444
	<b>0,767</b>	0,606	0,371	0,549
	<b>0,792</b>	0,429	0,417	0,613
	<b>0,776</b>	0,569	0,445	0,572
	<b>0,815</b>	0,518	0,520	0,603
	<b>0,728</b>	0,374	0,534	0,632
	<b>0,841</b>	0,559	0,479	0,581
	<b>0,793</b>	0,481	0,519	0,481
	<b>0,830</b>	0,488	0,468	0,522
	<b>0,854</b>	0,469	0,576	0,611
	<b>0,854</b>	0,452	0,506	0,486
	<b>0,822</b>	0,432	0,530	0,498
	<b>0,838</b>	0,529	0,606	0,578
	0,496	<b>0,844</b>	0,376	0,489
	0,477	<b>0,837</b>	0,323	0,455
	0,518	<b>0,837</b>	0,410	0,467
	0,480	<b>0,824</b>	0,382	0,533
	0,537	<b>0,898</b>	0,358	0,545
	0,457	<b>0,841</b>	0,323	0,529
	0,525	<b>0,851</b>	0,363	0,538
	0,560	<b>0,879</b>	0,465	0,646
	0,405	<b>0,768</b>	0,303	0,464

M	X1	X2	Y
0,584	<b>0,832</b>	0,413	0,519
0,508	<b>0,805</b>	0,421	0,470
0,556	<b>0,879</b>	0,418	0,545
0,522	<b>0,806</b>	0,282	0,499
0,545	<b>0,856</b>	0,368	0,517
0,507	0,386	<b>0,867</b>	0,527
0,453	0,362	<b>0,817</b>	0,498
0,497	0,458	<b>0,820</b>	0,557
0,481	0,332	<b>0,824</b>	0,556
0,461	0,343	<b>0,796</b>	0,416
0,521	0,300	<b>0,853</b>	0,473
0,568	0,427	<b>0,855</b>	0,570
0,589	0,350	<b>0,874</b>	0,601
0,552	0,426	<b>0,805</b>	0,503
0,570	0,427	<b>0,851</b>	0,579
0,556	0,299	<b>0,820</b>	0,394
0,531	0,330	<b>0,819</b>	0,487
0,561	0,365	<b>0,849</b>	0,478
0,611	0,559	0,475	<b>0,800</b>
0,523	0,423	0,372	<b>0,790</b>
0,555	0,586	0,466	<b>0,814</b>
0,574	0,552	0,438	<b>0,836</b>
0,607	0,511	0,530	<b>0,825</b>
0,629	0,477	0,483	<b>0,821</b>
0,561	0,461	0,557	<b>0,848</b>
0,635	0,577	0,574	<b>0,888</b>
0,556	0,468	0,604	<b>0,856</b>
0,616	0,517	0,608	<b>0,872</b>

Source: Data Processed with SmartPLS 3 (2024)

Table 5. Cronbach's Alpha and Composite Reliability Values

Variables	<i>Cronbach'S Alpha</i>	<i>Composite Reliability</i>	Status
Work Life Balance	0,968	0,971	Reliabel
Compensation	0,964	0,968	Reliabel
Job Satisfaction	0,960	0,961	Reliabel
Employee Performance	0,952	0,958	Reliabel

Source: Data Processed with SmartPLS 3 (2024)

The data in Table 5 indicates that the variables related to work-life balance, compensation, job satisfaction, and employee performance have reliable Cronbach's alpha and composite reliability values, as they exceed the threshold of 0.70.

Table 6. R<sup>2</sup> value

No	Variables	R <sup>2</sup>
1	Job Satisfaction	0,537
2	Employee Performance	0,590

Source: Data Processed with SmartPLS 3 (2024)

The data in Table 6 indicates that work-life balance and compensation account for 53.7% of the differences in employee job satisfaction. The remaining 46.3% is influenced by other factors not examined in this study. Similarly, work-life balance and compensation explain 59% of the variation in employee performance, while the other 41% is attributed to other variables not covered in this research.

Table 7. Direct Influence Testing Results

No	Variables	Path Coefficient	P-Value	Status
1	$M \rightarrow Y$	0,374	0,005	Significant
2	$X1 \rightarrow M$	0,412	0,000	Significant
3	$X1 \rightarrow Y$	0,273	0,034	Significant
4	$X2 \rightarrow M$	0,450	0,000	Significant
5	$X2 \rightarrow Y$	0,257	0,016	Significant

Source: Data Processed with SmartPLS 3 (2024)

### 1. Hypothesis Test 1

The test results show that work life balance has a positive influence on job satisfaction. The path coefficient of 0.412 with a p-value of 0.000 which is smaller than 0.05 indicates that the better a person's work life balance, the higher the level of job satisfaction. With a 95% confidence level and a 5% error rate, it can be concluded that an increase or decrease in work life balance will have an impact on job satisfaction.

### 2. Hypothesis Test 2

This finding indicates that  $H_0$  is rejected, while  $H_a$  is accepted. The results of testing hypothesis 2 reveal a path coefficient of 0.450 with a p-value of 0.000, which means that compensation has a positive effect on job satisfaction. A p-value smaller than 0.05 indicates that higher or lower compensation will have an impact on job satisfaction with a 95% confidence level and a 5% error rate.

### 3. Hypothesis Test 3

The results of hypothesis 3 testing show that job satisfaction has a positive effect on employee performance. The path coefficient value of 0.374 and the p-value of 0.005 indicate a significant relationship. With a 95% confidence level and a 5% error rate, the higher or lower job satisfaction will have an impact on employee performance.

### 4. Hypothesis Test 4

The results of hypothesis testing show that work life balance has a positive influence on employee performance. The path coefficient value is 0.273 with a p-value of 0.034, which is smaller than 0.05. This means that the better the work life

balance of employees, the higher the performance, with a confidence level of 95% and an error rate of 5%.

### 5. Hypothesis Test 5

The test results show that compensation has a positive effect on employee performance. The path coefficient value is 0.374 with a p-value of 0.016, which means that higher or lower compensation will have an impact on employee performance. This can be trusted with a 95% confidence level and a 5% error rate.

Table 8. Indirect Influence Test Results

No	Variables	Path Coefficient	P-Value	Status
1	$X1 \rightarrow M \rightarrow Y$	0,154	0,030	Significant
2	$X2 \rightarrow M \rightarrow Y$	0,168	0,007	Significant

Source: Data Processed with SmartPLS 3 (2024)

### 6. Hypothesis Test 6

Based on testing the mediation effect hypothesis, job satisfaction can mediate the effect of work life balance on employee performance with a path coefficient value of 0.154 and a P-value of  $0.030 \leq 0.05$ . Based on direct testing, work life balance has a direct effect on job satisfaction and employee performance variables, and the job satisfaction variable has a significant effect directly on the employee performance variable, so the variable mediates partially (partial mediation). This means that  $H_0$  is rejected and  $H_a$  is accepted.

### 7. Hypothesis Test 7

Based on testing the mediation effect hypothesis, job satisfaction can mediate the effect of compensation on employee performance with a path coefficient value of 0.168 and a P-value of  $0.007 \leq 0.05$ . Based on direct testing, compensation has a direct effect on job satisfaction and employee performance variables, and the job satisfaction variable has a significant effect directly on the employee performance variable, so the variable mediates partially (partial mediation). This means that  $H_0$  is rejected and  $H_a$  is accepted.

## DISCUSSION

The exploration of work-life balance reveals a profound connection with job satisfaction that extends beyond traditional workplace understanding. Grounded in contemporary organizational behavior theories, this relationship demonstrates how employees effectively manage professional and personal demands. The findings align with self-determination theory, emphasizing personal autonomy and holistic well-being in organizational contexts. Previous research by of (Ingsih et al., 2022; Wong et al., 2020) substantiates this perspective, highlighting that effective work-life balance mechanisms contribute significantly to overall job satisfaction.

Compensation emerges as a multifaceted factor influencing job satisfaction that transcends simple monetary transactions. Herzberg's two-factor theory provides theoretical context, positioning compensation as a fundamental motivational element that significantly impacts employee perceptions of organizational value. Research of (Ohunakin & Olugbade, 2022; Zayed et al.,

2022) reinforces this understanding, demonstrating that compensation represents a comprehensive signal of organizational recognition and individual professional worth. This finding reflects the complex psychological contract between employees and organizations, where compensation serves as a critical indicator of appreciation and potential.

Job satisfaction operates as a critical mediating mechanism that transforms psychological engagement into tangible performance outcomes. Social exchange theory and motivation research by (Hee et al., 2018; Karaferis et al., 2022) explain this intricate relationship, suggesting that satisfied employees are more likely to invest discretionary effort and demonstrate higher levels of organizational commitment. The underlying psychological mechanism involves increased intrinsic motivation, enhanced organizational identification, and a more positive psychological state that facilitates superior performance.

The direct relationship between work-life balance and employee performance challenges traditional productivity paradigms. Conservation of resources theory provides a comprehensive framework for understanding this connection, demonstrating how maintaining personal resources contributes to sustainable performance. Studies by of (Ingsih et al., 2022; Susanto et al., 2022; Wong et al., 2020) substantiate this perspective, indicating that organizations fostering supportive work-life balance environments enable employees to maintain higher levels of cognitive and emotional resources.

Compensation's influence on employee performance can be understood through human capital theory and expectancy theory by (Kanapathippillai et al., 2019; Kim & Jang, 2020) highlight that compensation is not merely a financial transaction but a strategic organizational investment in human potential. This perspective suggests that competitive compensation packages signal organizational commitment, enhance motivation, and provide tangible recognition of employee contributions.

The mediation of job satisfaction in work-life balance and compensation relationships reveals sophisticated psychological mechanisms. Baron and Kenny's mediation analysis framework, supported by research from by (Anwar & Ikratullah, 2022; Ingsih et al., 2022) explains how job satisfaction transforms structural workplace elements into meaningful performance outcomes. This finding underscores the importance of understanding workplace dynamics as complex, interconnected systems rather than linear relationships.

In conclusion, the research provides comprehensive insights into the intricate relationships between work-life balance, compensation, job satisfaction, and employee performance. For Generation Z employees at Bento Kopi Yogyakarta, these findings reveal a complex, dynamic workplace ecosystem where psychological, economic, and personal factors interact to shape organizational effectiveness. The study demonstrates that modern workforce management requires a holistic approach that recognizes the multifaceted nature of employee motivation and performance.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

1. Work-life balance increases job satisfaction at Bento Kopi Yogyakarta, showing the importance of work-life balance in increasing employee job satisfaction.
2. Compensation has a positive effect on job satisfaction, indicating that an appropriate compensation system is able to meet employee expectations and increase their satisfaction.
3. Job satisfaction improves employee performance, meaning that satisfied employees are more motivated to excel in their work.
4. Work-life balance improves employee performance, where life balance supports better productivity and quality of work.
5. Compensation also improves employee performance, indicating that fair and competitive compensation increases employee motivation to perform better.
6. Work-life balance impacts performance through job satisfaction as a mediator, indicating that a good life balance promotes satisfaction, which in turn improves performance.
7. Compensation impacts performance through job satisfaction as a mediator, indicating that good compensation increases satisfaction, which leads to improved performance.

### Recommendations

#### *For Bento Kopi Yogyakarta*

##### *a) Work-Life Balance*

Employees' work-life balance score (4.02/5.00) indicates high satisfaction, but there are still opportunities for improvement. Bento Kopi can improve employee work-life balance by:

- Improving the shift scheduling system to be more organized and fair.
- Adjusting the number of staff to the workload.
- Providing an open forum to hear staff suggestions and complaints.

##### *b) Compensation*

The employee compensation score (3.91/5.00) indicates good satisfaction, but can still be improved. Suggestions for improving the compensation system include:

- Adjusting the salary structure to Yogyakarta's minimum wage and industry standards.
- Adding allowances such as meals and transportation.
- Provide bonuses based on sales targets and consider promotional opportunities.

### FURTHER STUDY

This study shows that work-life balance and compensation explain 53.7% of the variation in job satisfaction and 59% of the variation in employee performance. Future research is recommended to:

- Try other variables that may affect employee satisfaction and performance.
- Using mixed-methods and longitudinal studies to see changes over time.
- Develop a variable model and expand the study sample.

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