

FINANCIAL COMPENSATION, PHYSICAL WORK ENVIRONMENT, AND ORGANIZATIONAL CULTURE AS DRIVERS OF JOB SATISFACTION: THE MEDIATING ROLE OF WORK MOTIVATION IN AN ELECTRONIC DATA CAPTURE SERVICE COMPANY

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Abstract

Job satisfaction is a strategically important employee outcome because it reflects how employees evaluate their work experiences and can influence organizational stability, motivation, and retention. This study examines whether financial compensation, physical work environment, and organizational culture influence job satisfaction and whether work motivation mediates these relationships. The study was conducted at EDC Service Company, an Indonesian service company engaged in Electronic Data Capture (EDC) operational and device-management services. A quantitative, cross-sectional survey was administered to all 112 permanent employees using a census sampling technique. Data were collected through a five-point Likert questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3. The measurement model demonstrated adequate reliability and validity, while the structural model showed predictive relevance. Financial compensation had positive and significant effects on work motivation ($\beta = 0.564$, $p < 0.001$) and job satisfaction ($\beta = 0.386$, $p < 0.001$). Physical work environment significantly predicted work motivation ($\beta = 0.325$, $p < 0.001$) but not job satisfaction directly ($\beta = 0.123$, $p = 0.079$). Organizational culture significantly predicted work motivation ($\beta = 0.164$, $p = 0.005$) but not job satisfaction directly ($\beta = 0.135$, $p = 0.061$). Work motivation positively affected job satisfaction ($\beta = 0.288$, $p = 0.003$). Mediation analysis showed complementary mediation for financial compensation and indirect-only mediation for both physical work environment and organizational culture. The findings indicate that organizational conditions do not operate uniformly: financial compensation has both direct and motivational pathways, whereas physical work environment and organizational culture contribute to job satisfaction primarily through work motivation.

Keywords: *Financial Compensation, Physical Work Environment, Organizational Culture, Work Motivation, Job Satisfaction, PLS-SEM.*

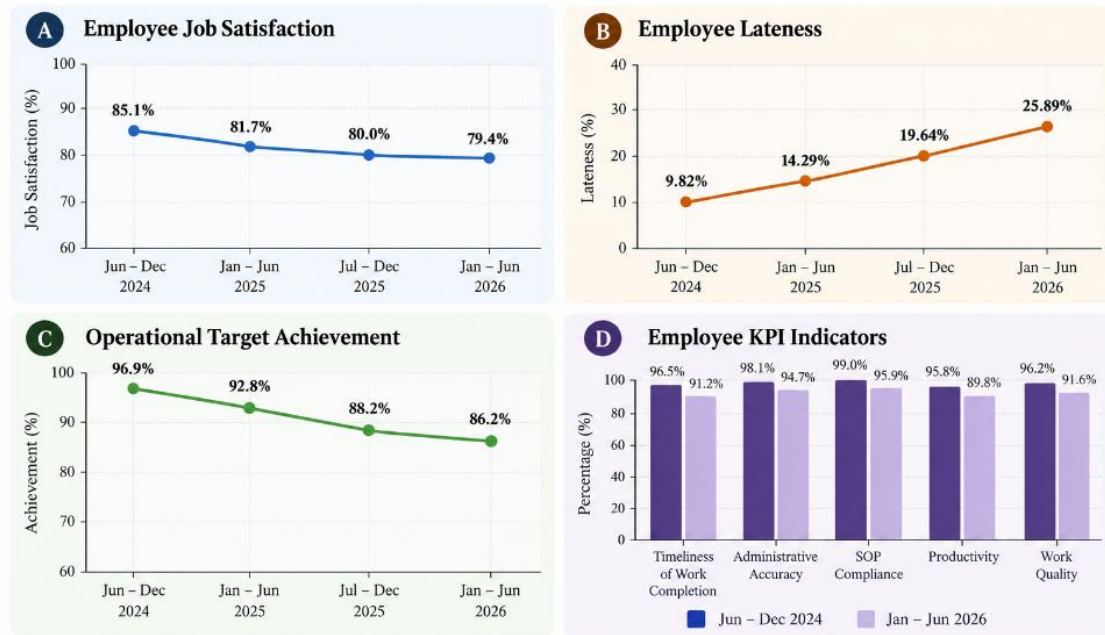
A. INTRODUCTION

Competitive business environments, organizations are required to manage human resources strategically because employee attitudes and behaviors are closely associated with organizational effectiveness and the achievement of operational objectives. Human resources are not only responsible for performing assigned tasks but also contribute to maintaining service quality, productivity, and organizational continuity. Within this context, job satisfaction represents an important organizational outcome because employees who perceive their jobs positively are more likely to demonstrate favorable work attitudes and maintain their commitment to organizational responsibilities (Robbins & Judge, 2022; Suriyanto, 2025). Job satisfaction is shaped by various organizational and individual factors, including compensation, working conditions, organizational culture, and work motivation. Financial compensation is one of the most frequently examined organizational factors associated with job satisfaction

(Nurfia Jamal et al., n.d.; Nurjaman et al., n.d.) . Compensation represents the economic returns employees receive in exchange for their contributions and may influence how employees perceive the fairness and value of their employment relationship. Previous research has reported a positive relationship between financial compensation and job satisfaction (Renata et al., 2024; Dwiwarman, 2025). Compensation may also influence employee motivation because employees evaluate whether the rewards associated with their performance are sufficient and appropriately aligned with their contributions. Thus, compensation can operate not only as an economic reward but also as a motivational signal within the employment relationship.

Beyond financial rewards, the physical work environment constitutes another important aspect of employees' work experience. A physical work environment encompasses workplace conditions such as facilities, workspace comfort, lighting, temperature, cleanliness, and other physical characteristics that facilitate employees in performing their tasks (Sedarmayanti, 2017). A supportive physical environment can reduce workplace discomfort and facilitate task performance, whereas unfavorable conditions may interfere with employees' psychological and behavioral responses. Empirical findings, however, remain inconsistent. Some studies have found that the physical work environment significantly contributes to job satisfaction, while others have reported insignificant relationships (Natania & Martha, 2023; Syada et al., 2025). These differences indicate that the role of the physical work environment may depend on the mechanism through which employees respond to workplace conditions.

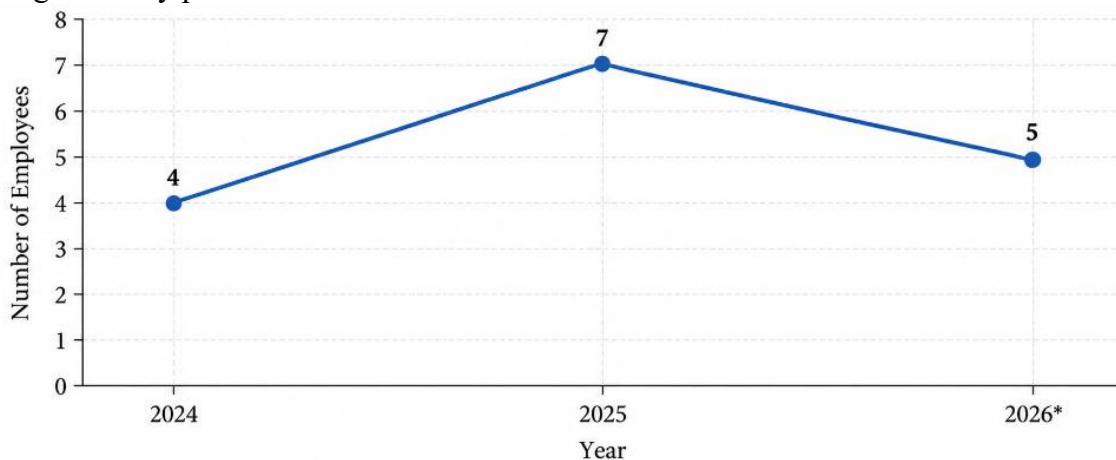
Organizational culture represents a further organizational factor that may shape employees' attitudes and motivation. Organizational culture refers to shared values, norms, beliefs, and behavioral expectations that guide how organizational members interpret and respond to their work environment (Schein, 2010). A culture that is perceived as supportive and consistent with employees' expectations may facilitate positive work attitudes. Previous research has documented relationships between organizational culture and job satisfaction (Winata, 2024), although other studies have reported different findings depending on organizational and contextual conditions. This inconsistency suggests that organizational culture may not necessarily influence job satisfaction through a purely direct pathway. These issues are particularly relevant in an Indonesian company operating in the procurement of Information Technology (IT) goods and related technology services, where employees are required to coordinate operational activities, maintain administrative accuracy, respond to organizational demands, and support the delivery of technology-related products and services. The focal company experienced several changes in employee-related and operational indicators during 2024–2026. Internal organizational data show that the proportion of employees reporting job satisfaction declined from 85.1% in June–December 2024 to 81.7% in January–June 2025, 80.0% in July–December 2025, and 79.4% in January–June 2026. This pattern provides an empirical indication that employee satisfaction became an increasingly relevant organizational issue during the observation period.



Source: Internal organizational data, processed by the authors (2026).
 Note: KPI = Key Performance Indicator; 2026 data are provisional/incomplete.

Figure 1. Empirical Trends in Human Resource and Operational Indicators, 2024-2026

Figure 1 should present the trends in job satisfaction, employee lateness, operational target achievement, and employee KPI indicators in a single four-panel figure. Source: Internal organizational data, processed by the authors (2026). The decline in job satisfaction was accompanied by changes in other organizational indicators. Employee lateness increased from 9.82% (11 cases) in June–December 2024 to 14.29% (16 cases) in January–June 2025, 19.64% (22 cases) in July–December 2025, and 25.89% (29 cases) in January–June 2026. Although lateness cannot be interpreted as a direct measure of employee motivation or job satisfaction, its increasing occurrence represents a behavioral indicator that warrants further investigation into factors associated with employee attitudes and motivation. Employee turnover provides another relevant organizational indicator. The number of employees leaving the organization increased from four employees in 2024 to seven in 2025, before reaching five employees during 2026. Because the 2026 observation period was incomplete, the 2026 figure should be interpreted as provisional and should not be treated as a completed annual turnover figure. The pattern nevertheless provides additional contextual evidence concerning employee retention during the study period.



Note: *2026 data are provisional/incomplete.

Figure 2. Employee Turnover Trend in the Focal Company, 2024-2026

Figure 2 should be inserted immediately after the paragraph discussing employee turnover. The figure shows 4 employees in 2024, 7 in 2025, and 5 in 2026, with 2026 explicitly identified as provisional/incomplete. Operational indicators also showed a downward trend. Operational target achievement declined from 96.9% in June–December 2024 to 92.8% in January–June 2025, 88.2% in July–December 2025, and 86.2% in January–June 2026. Employee KPI indicators similarly showed reductions across several dimensions: timeliness declined from 96.5% to 91.2%, administrative accuracy from 98.1% to 94.7%, SOP compliance from 99.0% to 95.9%, productivity from 95.8% to 89.8%, and work quality from 96.2% to 91.6% over the observation period. These organizational indicators provide important contextual evidence of changes occurring within the focal company. However, they should not be interpreted as establishing that declining job satisfaction caused the deterioration in operational performance. The organizational data and the questionnaire data used to test the research constructs differ in their sources, measurement units, and observation periods.

Employee absenteeism also increased during the observation period, from 13.4% to 16.1%, 20.5%, and 24.1%, respectively. In addition, an internal human-resource interview conducted in May 2026 identified several issues mentioned by employees in relation to their employment expectations, including financial rewards, career development, and a supportive work environment. These observations provide contextual reasons for examining compensation, physical work environment, organizational culture, and motivation simultaneously rather than treating job satisfaction as an isolated outcome. Despite substantial research examining the determinants of job satisfaction, empirical findings concerning the relationships among these variables remain inconsistent. For example, Dwiwarman (2025) reported a significant relationship between compensation and job satisfaction, whereas Abdul Rafli et al. (2026) reported a non-significant relationship. Similar inconsistencies can be observed for the physical work environment. Sari Batubara et al. (2025) identified a significant relationship between the physical work environment and employee outcomes, whereas Syada et al. (2025) reported a non-significant direct relationship with job satisfaction. Research concerning organizational culture has also produced mixed findings, with Winata (2024) reporting a significant relationship with job satisfaction while Abadi and Agustini (2026) reported different results. These inconsistencies suggest that the relationships may be contingent on organizational context and on intervening psychological mechanisms.

One mechanism that may explain these relationships is work motivation. Work motivation concerns the psychological processes that influence the direction, intensity, and persistence of employees' work-related behavior (Kanfer et al., 2017). Organizational resources and conditions may first shape employees' willingness to exert effort before being reflected in their overall evaluation of the job. Previous studies have therefore examined motivation as an intervening variable in relationships involving compensation, work environment, organizational culture, and employee outcomes (Rosyidah et al., 2023; Roslina & Anton, 2025; Saragih et al., 2024).

B. LITERATURE REVIEW

The theoretical foundation of this study integrates several complementary perspectives. Social Exchange Theory proposes that employment relationships involve reciprocal exchanges between employees and organizations, such that favorable organizational treatment may generate positive employee responses (Blau, 1964). Expectancy Theory explains that employees' motivation can be influenced by their perceptions of the relationship between effort, performance, and expected rewards (Vroom, 1964), providing a theoretical basis for examining compensation and motivation. Herzberg's Two-Factor Theory distinguishes between conditions associated with dissatisfaction and factors associated with positive work experiences, offering a relevant perspective for understanding the role of workplace conditions (Herzberg, 1966).

Meanwhile, Person–Organization Fit Theory emphasizes the compatibility between individuals and organizational values and characteristics, providing a theoretical explanation for the potential role of organizational culture (Kristof, 1996). Accordingly, the present study proposes that financial compensation, the physical work environment, and organizational culture may influence job satisfaction both directly and indirectly through work motivation. This framework addresses an important gap in the existing literature: while previous studies have frequently examined direct relationships among these variables, fewer studies have simultaneously tested work motivation as a mediating mechanism linking three distinct organizational factors to job satisfaction within an Indonesian IT procurement and technology-services context.

Social Exchange Theory (SET) provides the integrative perspective by explaining employment relationships as reciprocal exchanges of valued resources and treatment (Blau, 1964). Financial compensation, supportive working conditions, and organizational practices may shape employees' motivation and job satisfaction. These relationships are further supported by Expectancy Theory, which links compensation to motivation through effort, performance, and rewards (Vroom, 1964); Herzberg's Two-Factor Theory, which emphasizes working conditions as hygiene factors (Herzberg, 1966); and Person–Organization Fit Theory, which highlights compatibility between individual and organizational values (Kristof, 1996). Accordingly, financial compensation is expected to affect job satisfaction (H1) and work motivation (H4), the physical work environment to affect job satisfaction (H2) and work motivation (H5), and organizational culture to affect job satisfaction (H3) and work motivation (H6), although prior findings remain mixed across contexts (Dwiwarman, 2025; Renata et al., 2024; Mahatani et al., 2025; Rosada, 2025; Winata, 2024; Anggraenie et al., 2024). Work motivation is further positioned as the psychological mechanism linking these organizational factors to job satisfaction, as motivated employees may experience greater energy, involvement, achievement, and meaning at work (Kanfer et al., 2017; Wang et al., 2023). Thus, work motivation is expected to positively affect job satisfaction (H7) and mediate the effects of financial compensation (H8), physical work environment (H9), and organizational culture (H10) on job satisfaction, consistent with prior evidence of mediated relationships (Jasmine & Edalmen, 2020; Saragih et al., 2024).

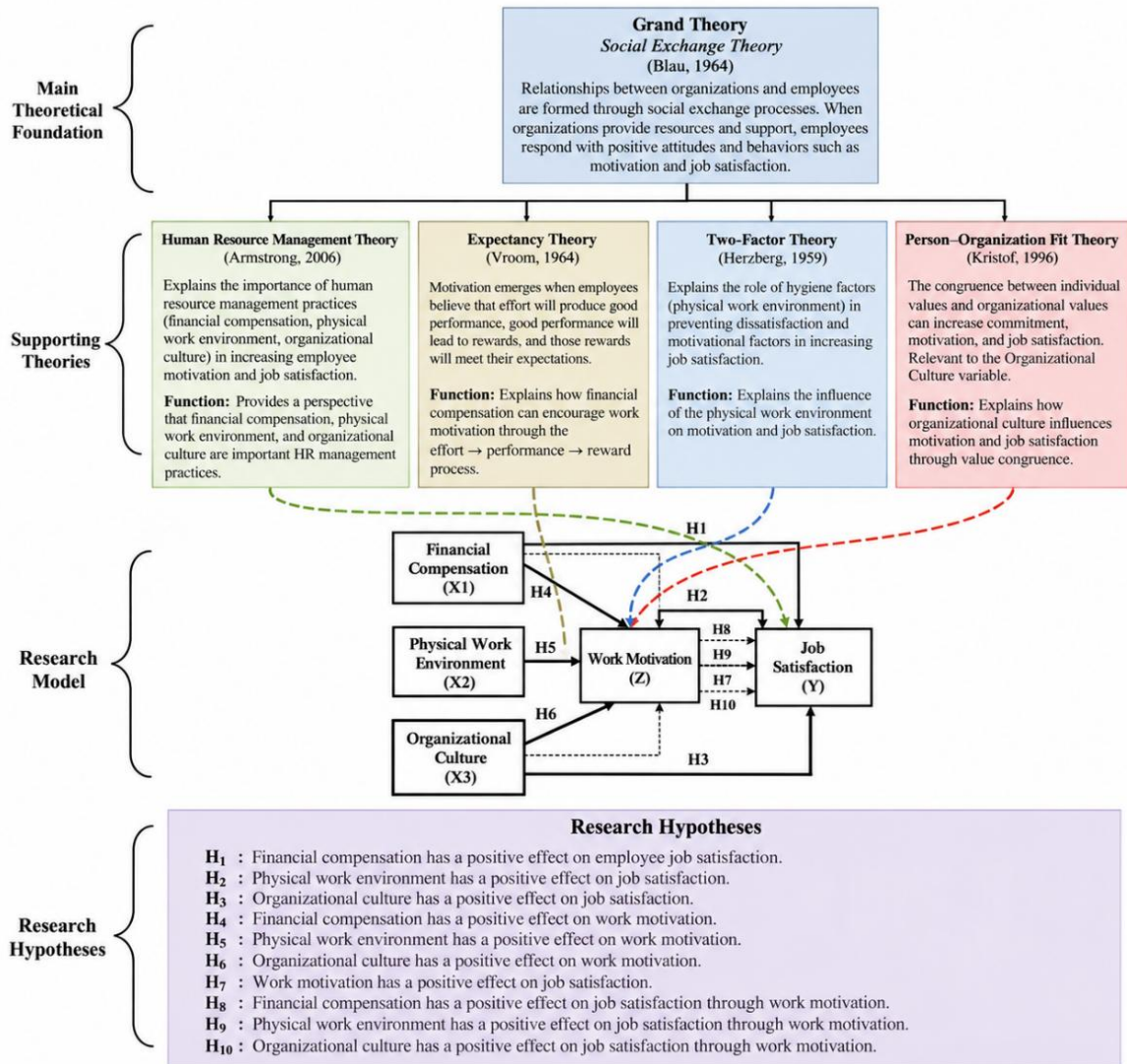


Figure 3 Conceptual Research Model

Figure 3 should be placed at the end of the Introduction or immediately after the theoretical rationale. It should depict Financial Compensation, Physical Work Environment, and Organizational Culture as exogenous variables; Work Motivation as the mediator; and Job Satisfaction as the endogenous outcome. Therefore, this study aims to examine: (1) whether financial compensation affects job satisfaction; (2) whether the physical work environment affects job satisfaction; (3) whether organizational culture affects job satisfaction; (4) whether financial compensation affects work motivation; (5) whether the physical work environment affects work motivation; (6) whether organizational culture affects work motivation; (7) whether work motivation affects job satisfaction; and (8) whether work motivation mediates the relationships between financial compensation, physical work environment, organizational culture, and job satisfaction.

The study contributes to the literature in two ways. First, it provides an integrated empirical model that distinguishes direct organizational effects from the motivational mechanism through which organizational conditions may influence job satisfaction. Second, it extends evidence on employee attitudes and motivation within an Indonesian company operating in IT procurement and related technology services, a context that is less frequently represented in studies examining compensation, work environment, organizational culture, motivation, and job satisfaction simultaneously. By examining these relationships using

employee-level survey data, the study seeks to clarify how organizational conditions are translated into motivational responses and, ultimately, employees' evaluations of their jobs

C. METHOD

This study employed a quantitative, explanatory, cross-sectional design involving all 112 permanent employees of the focal company. Census sampling was used because the population was relatively small and fully accessible, and all 112 questionnaires were returned complete, resulting in a 100% response rate. Data were collected in June 2026 through Google Forms after research access was obtained from the company's management/HR function. Participation was voluntary, respondents were informed about the study purpose and confidentiality procedures, and no personally identifying information was included in the analytical dataset. The respondents comprised 85% male and 15% female employees; 59% were aged 20–30 years, 39% aged 31–40 years, and 2% aged 41–50 years. Regarding education, 50% held a bachelor's degree, 36% senior high/vocational high school, and 14% a diploma, while 84% had 2–3 years of tenure, 15% had 1–2 years, and 1% had less than one year. All constructs were measured using a five-point Likert scale from 1 (“strongly disagree”) to 5 (“strongly agree”). The initial instrument comprised 12 indicators for financial compensation, 12 for physical work environment, 14 for organizational culture, 10 for work motivation, and 8 for job satisfaction. Financial compensation covered salary, incentives, allowances, bonuses, fairness, and adequacy (Hasibuan, 2022; Sudaryo et al., 2018); physical work environment covered lighting, temperature, air circulation, noise, safety, and cleanliness (Sedarmayanti, 2017); organizational culture covered innovation and risk-taking, attention to detail, results orientation, individual and team orientation, aggressiveness, and stability (Robbins & Judge, 2022); work motivation covered hard work, future orientation, achievement aspiration, responsibility, and work performance (Kanfer et al., 2017; Mangkunegara, 2017); and job satisfaction covered the work itself, promotion, supervision, and co-worker relationships (Colquitt et al., 2022; Robbins & Judge, 2022). After measurement-model assessment, indicators with insufficient outer loadings were removed, resulting in 12 financial compensation, 12 physical work environment, 7 organizational culture, 7 work motivation, and 8 job satisfaction indicators.

Data were analyzed using PLS-SEM with SmartPLS 3, selected because the model involves multiple latent constructs, direct effects, and mediation paths while emphasizing explanation and prediction of endogenous constructs (Hair et al., 2022). The measurement model was assessed through indicator loadings, AVE, discriminant validity, and internal consistency reliability; loadings around 0.70 or higher were considered desirable, AVE above 0.50 indicated convergent validity, HTMT below 0.90 indicated discriminant validity, and reliability was evaluated using Cronbach's alpha, rho_A, and composite reliability (Hair et al., 2022). The structural model was assessed using inner VIF, R², f², Q², SRMR, standardized path coefficients, and bootstrapping. Hypotheses were tested at the 5% significance level using t-statistics and p-values, while mediation was evaluated through specific indirect effects and bootstrap confidence intervals. Complementary mediation was identified when direct and indirect effects were both significant and in the same direction, whereas indirect-only mediation was identified when the indirect effect was significant but the direct effect was not significant (Hair et al., 2022).

D. RESULTS AND DISCUSSION

1. Respondent Characteristics

The respondent characteristics provide the empirical context for interpreting the subsequent PLS-SEM results. As the study employed census sampling, the 112 respondents represent the entire population of permanent employees included in the study, with no

sampling-based exclusion. The respondent profile shows that the workforce was predominantly male and relatively young, with most employees aged 20–30 years. In addition, half of the respondents held a bachelor's degree, while the majority had 2–3 years of organizational tenure. These characteristics indicate that the empirical findings primarily reflect the perceptions of relatively young employees with established but comparatively short organizational experience.

Table 1. Respondent Characteristics

Characteristic	Category	n	%
Gender	Male	95	85
	Female	17	15
Age	20–30 years	-	59
	31–40 years	-	39
	41–50 years	-	2
Education	Bachelor's degree	56	50
	Senior high/vocational high school	40	36
	Diploma	16	14
Tenure	<1 year	1	1
	1–2 years	17	15
	2–3 years	94	84
Total		112	100

Note: Data are based on the complete population of 112 permanent employees; therefore, the respondent distribution represents the accessible employee population in the study.

Overall, the respondent profile was dominated by male employees, employees aged 20–30 years, bachelor's degree holders, and employees with 2–3 years of organizational tenure.

2. Measurement Model

The final measurement model demonstrated satisfactory convergent validity and internal consistency. AVE values were 0.702 for financial compensation, 0.648 for physical work environment, 0.642 for organizational culture, 0.673 for work motivation, and 0.600 for job satisfaction. All values exceeded the 0.50 threshold. Reliability was also strong. Cronbach's alpha values ranged from 0.889 to 0.956, while composite reliability ranged from 0.913 to 0.961. Specifically, financial compensation recorded alpha = 0.951 and CR = 0.957; physical work environment alpha = 0.956 and CR = 0.961; organizational culture alpha = 0.930 and CR = 0.943; work motivation alpha = 0.889 and CR = 0.913; and job satisfaction alpha = 0.920 and CR = 0.935.

Discriminant validity was supported by HTMT values ranging from 0.116 to 0.680, all below 0.90. The Fornell–Larcker criterion also indicated that the square root of each construct's AVE exceeded its correlations with other constructs. These results suggest that the constructs were empirically distinguishable.

3. Structural Model

The inner VIF values ranged from 1.019 to 2.190, indicating no serious multicollinearity. The R^2 for work motivation was 0.543 (adjusted $R^2 = 0.531$), meaning that financial compensation, physical work environment, and organizational culture jointly explained 54.3% of the variance in work motivation. The R^2 for job satisfaction was 0.486 (adjusted $R^2 = 0.467$), meaning that financial compensation, physical work environment, organizational culture, and work motivation explained 48.6% of the variance in job satisfaction. Predictive relevance was supported, with $Q^2 = 0.315$ for work motivation and $Q^2 = 0.292$ for job satisfaction. SRMR was 0.068 for both the saturated and estimated models, providing supportive evidence of acceptable residual fit. The f^2 results showed that financial

compensation had a large effect on work motivation ($f^2 = 0.673$), physical work environment had a medium effect on work motivation ($f^2 = 0.221$), and financial compensation had a medium effect on job satisfaction ($f^2 = 0.168$). Other direct paths had small effect sizes.

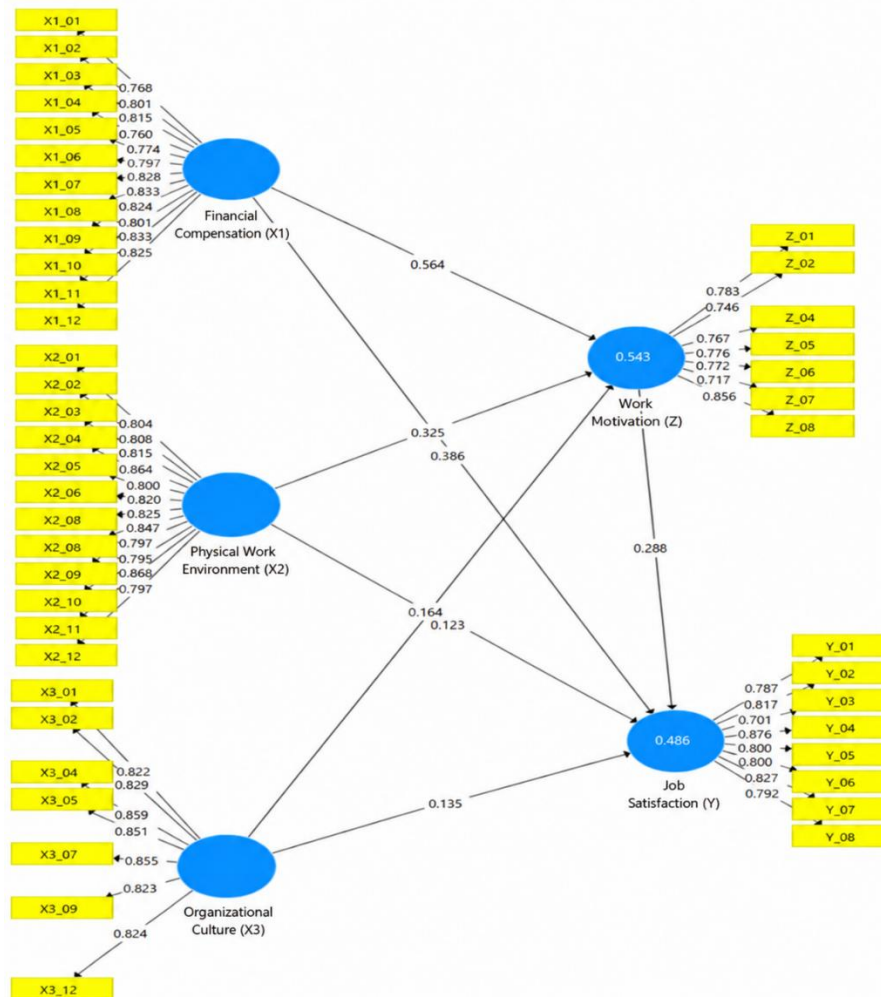


Figure 3. Final PLS-SEM Structural Model

Use the final structural model, not the first measurement model. Display standardized coefficients and, if permitted, significance markers. Key coefficients are reported in next section

4. Hypothesis Testing

The direct-effect results show that five of seven direct hypotheses were supported. Financial compensation positively affected job satisfaction ($\beta = 0.386$, $t = 4.262$, $p < 0.001$) and work motivation ($\beta = 0.564$, $t = 10.463$, $p < 0.001$). Physical work environment positively affected work motivation ($\beta = 0.325$, $t = 5.696$, $p < 0.001$), but its direct effect on job satisfaction was not significant ($\beta = 0.123$, $t = 1.755$, $p = 0.079$). Organizational culture positively affected work motivation ($\beta = 0.164$, $t = 2.803$, $p = 0.005$), but its direct effect on job satisfaction was not significant ($\beta = 0.135$, $t = 1.871$, $p = 0.061$). Work motivation positively affected job satisfaction ($\beta = 0.288$, $t = 2.982$, $p = 0.003$).

Table 2. Direct and indirect effects

Hypothesis	Path	β	t	p	Decision
H1	Financial compensation → Job satisfaction	0.386	4.262	<0.001	Supported

H2	Physical work environment → Job satisfaction	0.123	1.755	0.079	Not supported
H3	Organizational culture → Job satisfaction	0.135	1.871	0.061	Not supported
H4	Financial compensation → Work motivation	0.564	10.463	<0.001	Supported
H5	Physical work environment → Work motivation	0.325	5.696	<0.001	Supported
H6	Organizational culture → Work motivation	0.164	2.803	0.005	Supported
H7	Work motivation → Job satisfaction	0.288	2.982	0.003	Supported
H8	Financial compensation → Work motivation → Job satisfaction	0.163	2.788	0.005	Supported
H9	Physical work environment → Work motivation → Job satisfaction	0.094	2.559	0.011	Supported
H10	Organizational culture → Work motivation → Job satisfaction	0.047	2.111	0.035	Supported

Note: PLS-SEM with a 5% significance threshold.

The indirect-effect results support all three mediation hypotheses. The indirect effect of financial compensation on job satisfaction through work motivation was significant ($\beta = 0.163$, $t = 2.788$, $p = 0.005$), while the direct effect was also significant. This indicates complementary (partial) mediation. The indirect effect of physical work environment on job satisfaction through work motivation was significant ($\beta = 0.094$, $t = 2.559$, $p = 0.011$), while the direct effect was non-significant; this indicates indirect-only mediation. The same pattern was observed for organizational culture: the indirect effect was significant ($\beta = 0.047$, $t = 2.111$, $p = 0.035$), whereas the direct effect was non-significant, indicating indirect-only mediation.

Financial compensation had a positive and significant effect on job satisfaction, indicating that employees' perceptions of salary, incentives, bonuses, benefits, and compensation fairness were associated with more positive job evaluations. This finding is consistent with Dwiwarman (2025) and Renata et al. (2024), although it differs from studies reporting non-significant effects (Ginting & Baene, 2021; Syamsudhuha & Abdurahman, 2024). From the perspective of Social Exchange Theory (SET), fair compensation represents a valued organizational resource that can strengthen employees' evaluation of the employment relationship (Blau, 1964). The finding is also consistent with Expectancy Theory, as employees may be more motivated when they perceive a clear relationship between effort, performance, and valued rewards (Vroom, 1964). Thus, compensation management should emphasize fairness, transparency, and alignment with employee responsibilities and contributions rather than simply increasing compensation levels.

The physical work environment did not have a significant direct effect on job satisfaction, suggesting that adequate lighting, temperature, ventilation, cleanliness, safety, and facilities may function primarily as basic conditions for effective work. Once these conditions meet employees' expectations, variation in the physical environment may contribute less to satisfaction than recognition, career growth, supervision, and the work itself. Although this explanation was not directly tested, it is consistent with Herzberg's Two-Factor Theory, which positions working conditions as hygiene factors that help prevent dissatisfaction but do not necessarily generate satisfaction (Herzberg, 1966). Similarly, organizational culture did not significantly affect job satisfaction directly, indicating that organizational values and norms alone may be insufficient to generate positive job evaluations. Culture may become more influential when experienced through leadership, communication, recognition, teamwork, and daily practices. This finding differs from Winata (2024) but is consistent with Rosada (2025). From the perspective of Person–Organization Fit Theory, culture is more likely to influence satisfaction when employees perceive compatibility between their personal and organizational values (Kristof, 1996).

In contrast to their direct effects on job satisfaction, all three organizational factors significantly affected work motivation. Financial compensation showed the strongest relationship ($\beta = 0.564$; $F^2 = 0.673$), followed by the physical work environment ($\beta = 0.325$) and organizational culture ($\beta = 0.164$). These findings indicate that employees' motivation is responsive to both tangible and contextual organizational resources. The compensation effect is consistent with Expectancy Theory because valued rewards may strengthen employees' willingness to exert effort when linked to performance (Vroom, 1964). The physical environment may support energy and readiness to work through adequate comfort and safety, consistent with the contextual role of hygiene factors (Herzberg, 1966), while organizational culture may foster motivation through behavioral clarity, belonging, and value alignment (Kristof, 1996; Schein, 2010). The distinction between these findings is important: although all three factors were significantly related to motivation, they did not demonstrate equivalent direct relationships with job satisfaction.

Work motivation also had a positive and significant effect on job satisfaction ($\beta = 0.288$, $p = 0.003$), indicating that employees who are more energized, achievement-oriented, responsible, and persistent may evaluate their work more positively through greater involvement and accomplishment. This result is consistent with Kartini (2024), Wang et al. (2023), and the broader view of motivation as an important psychological mechanism in work behavior (Kanfer et al., 2017). The finding suggests that job satisfaction is not solely an outcome of organizational policies or working conditions; rather, employees' psychological responses to those conditions are also important. Consequently, HR interventions should create conditions that employees can translate into meaningful motivation and involvement.

The mediation results further clarify this mechanism. Financial compensation affected job satisfaction both directly and indirectly through work motivation, indicating complementary mediation, whereas the physical work environment and organizational culture had significant indirect effects but non-significant direct effects, indicating indirect-only mediation (Irawan et al., 2026; Rizki Alifa et al., 2025a, 2025b). This pattern suggests that organizational resources influence job satisfaction through different pathways. Compensation has both direct evaluative and motivational value, while the effects of the physical work environment and organizational culture appear to become more consequential when they stimulate employee motivation (Hakim et al., 2026; Yulianty et al., 2024). The findings therefore extend SET by showing that organizational resources do not necessarily translate directly into satisfaction; employees' motivational responses can serve as an intervening mechanism (Blau, 1964). They also provide a contextual interpretation of Herzberg's framework, whereby physical conditions may support the work context without directly

generating satisfaction, while their motivational consequences may contribute indirectly to satisfaction (Herzberg, 1966). Taken together, the findings contribute to theory by supporting a mechanism-based interpretation of SET, in which organizational resources influence employee outcomes partly through motivation (Blau, 1964). They also support Expectancy Theory by highlighting the role of compensation in motivating employees when effort, performance, and rewards are meaningfully connected (Vroom, 1964). Furthermore, the findings clarify that physical work environment and organizational culture may influence job satisfaction more effectively through motivation than through direct effects, consistent with Herzberg's Two-Factor Theory and Person–Organization Fit Theory (Herzberg, 1966; Kristof, 1996). Practically, the focal company should therefore manage compensation through fair and transparent reward systems, integrate improvements in physical working conditions with recognition and employee involvement, and translate organizational culture into observable leadership, communication, teamwork, and recognition practices. Because work motivation significantly predicts job satisfaction and mediates the effects of organizational factors, recognition, career development, employee participation, meaningful targets, and supportive supervision should be incorporated into HR practices to strengthen motivation and ultimately support job satisfaction.

E. CONCLUSION

The results show that financial compensation positively affects both job satisfaction and work motivation, while physical work environment and organizational culture positively affect work motivation but have no statistically significant direct effects on job satisfaction; work motivation, in turn, positively affects job satisfaction. The mediation analysis provides the central conclusion: work motivation partially mediates the relationship between financial compensation and job satisfaction, while it indirectly mediates the effects of physical work environment and organizational culture, indicating that these organizational factors operate through different pathways. Financial compensation combines direct and motivational effects, whereas physical work environment and organizational culture appear to influence job satisfaction primarily through employees' motivational responses. The study is subject to several limitations, including its focus on a single company and relatively small population, which limits statistical generalizability, and its cross-sectional design, which restricts strong causal inference. In addition, the use of self-report questionnaires may introduce common-method or social-desirability bias despite confidentiality procedures. Future research should replicate the model across multiple organizations and sectors, employ longitudinal designs where feasible, and examine additional mechanisms or boundary conditions such as leadership, perceived organizational support, career development, employee engagement, and person–organization fit.

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