

The Effect of Job Training and Compensation on Employee Performance, Mediated by Job Satisfaction

Zaeniko Saputra^{1*}, Andi Nu Graha², Kristina Sedyastuti³

Sekolah Pascasarjana Universitas PGRI Kanjuruhan Malang, Indonesia^{1,2,3}

*Corresponding Author: zaeniko2002@gmail.com

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ABSTRACT

Despite extensive research on the determinants of employee performance, empirical evidence on how job satisfaction mediates the effects of job training and compensation remains inconsistent, particularly within the restaurant and culinary sector. This study addresses that gap by examining the effects of job training and compensation on employee performance, with job satisfaction as a mediating variable. The study employed a quantitative approach, with a sample of 120 employees working at Resto Ocean Garden in Malang. Data were analysed using SmartPLS 4. The results show that job training and compensation have a positive and significant effect on both employee performance and job satisfaction. Job satisfaction was also found to have a positive and significant effect on employee performance. In the indirect-effects analysis, job satisfaction was found to significantly mediate the effects of job training and compensation on employee performance. These results indicate that job satisfaction serves as a mechanism that strengthens the impact of job training and compensation on employee performance. The findings contribute to the human resource management literature by clarifying the mediating role of job satisfaction in the training-compensation-performance relationship within the restaurant industry. From a practical perspective, the findings provide a basis for company management in designing effective training programmes and compensation systems to enhance job satisfaction and employee performance.

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INTRODUCTION

In an increasingly competitive and globalized business environment, managing human resources is no longer the primary challenge for companies. Instead, the focus has shifted toward attracting and retaining top-performing employees. This phenomenon becomes even more evident as many companies struggle to recruit employees who possess the necessary competencies, integrity, and a strong commitment to the company's vision. Organisations heavily rely on their ability to hire, support and retain high-potential employees capable of making the company more competitive. According to Armstrong,(2020) , since a high-quality workforce is the primary asset that determines a company's innovation and performance amid rapid market changes, recruiting top talent has now become a strategic priority in human resource management (HRM).

In a broader setting, difficulty in securing high-quality talent directly undermines an organisation's performance and competitiveness. Skill gaps, low productivity, and high turnover rates will occur in companies that are unable to attract and retain qualified employees. Ultimately, such a situation can disrupt a company's strategy and innovation. Human capital is essential to an organisation's long-term success (Dessler, 2020). Even the best business strategies are difficult to implement optimally without talented and dedicated employees. Therefore, an organisation's ability to manage talent is essential for maintaining sustainability and competitive advantage in today's fast-paced and complex modern era.

Ocean Garden Restaurant in Malang was selected as the subject of this study because it faces intense competition in the culinary industry, where service quality is essential for retaining customers. In such a situation, a company must have responsive, talented, and high-performing human resources. As seen at Ocean Garden Restaurant, the company has sought to improved quality of its employee by conducting Job Training programs and providing compensation tailored to employee performance. However, in reality, challenges remain, such as varying levels of job satisfaction among employees, differences in service delivery capabilities, and potential mismatches between what employees expect regarding compensation.

Employee effectiveness is a key element of organisational success, as it reflects how effectively and efficiently employees contribute to the achievement of organisational goals. To achieve optimal performance, companies must consider various influencing variables, such as employee satisfaction, compensation, and Job Training. The Social Exchange Theory, proposed by Blau (1964) , emphasises interactions between employee and organisation are based on the principle of mutually beneficial exchange. This theory explains the relationship between these variables in this study. When a company offers adequate training and fair compensation, employees perceive their treatment as positive. As a result, employees will be more satisfied with their jobs. Furthermore, in line with the views of Leana & Barry (2000) in and Chernyak-Hai & Rabenu (2018) , these conditions will motivate employees to build positive work relationships and give their best contributions. Thus, the foundation of this study is Social Exchange Theory, thus explained training and compensation offered through an organisation to its employees will result in increased employee well-being and performance.

Employees performance is a key concept that described the extent to an individual carried out work and responsibilities to achieve organisational goals (Mathis & Jackson, 2008). Robbins & Judge (2019) state that employees performance is the sum of an person's job behaviours that contribute to the attainment of organisational aims. Mathis & Jackson (2020) state that performance is the degree to which an individual successfully performs their job in accordance with standards set by the organisation. Meanwhile, Mangkunegara (2021) viewed performance as the qualitative and quantitative outcome attained by an employee while carrying out the tasks assigned to them. The employee performance indicators used in this study, as outlined by Mathis & Jackson (2008), include quantity, quality, timeliness, and workplace attendance.

Rahayu & Dahlia (2023) observe that several factors, including job satisfaction, influence employees' performance. Luthans (2020) stated, job pleasure is how an employees perceives duty in terms of providing recognition, security, and opportunities for growth. Hasibuan (2021) also states that job pleasure is a positive emotional outlook on work, characterised by a sense of comfort, loyalty, and enthusiasm for the job. Meanwhile, Rivai & Sagala (2022) explain that job satisfaction occurs when there is alignment between an individual's expectations and what the organisation provides. When individuals in the workplace feel satisfied with their jobs, such satisfaction sparks a passion to continuously improve their performance. According to Robbins & Judge (2015), the indicators of job satisfaction include several metrics that can be used to measure it, namely job characteristics, pay, promotion prospects, supervisors, and colleagues.

Job training is one factor that can influence an individual's performance in addition to job satisfaction. Job training aims to help employees improve their abilities, skills, and knowledge so they can complete their work more efficiently and effectively. Noe (2020) defines training as a systematic process used to enhance employees' capabilities to achieve organisational goals through the improvement of both technical and non-technical skills. Dessler (2020) defines job training as a structured effort designed to enhance employees' job-related knowledge and skills. This can be viewed as a strategic process that not only develops employees' technical skills but also instils professional attitudes and commitment to the organisation. This is because, according to training, it is a means of HRD aim at enhancing employee performance through continuous learning and real-world work practices. Ultimately, the training will result in improved company performance and productivity. The indicators used to measure Job Training, based on Dessler (2015), include the instructor, participants, methods, materials, and training objectives.

Meanwhile, there is another factor that significantly influences performance: the compensation variable. Rivai and Sagala (2022) state that compensation can be defined as anything provided to employees that can directly or indirectly improved performance. Employees works can be developed by a compensation system, according to Chen et al., (2023) . Bucklin et al., (2022) , indicate there is a positively association among employee compensation and work outcomes. Additionally, Ardianto et al., (2024) state that compensation also had a positive influence on employees performance.

Fair wages, equitable incentives, appropriate benefits, and adequate facilities are the four factors that influence compensation (Simamora, 2015).

Regarding indirect effects, Setiawan et al., (2021) state that training increases job satisfaction, thus turn leads to developed works. However, Kasmawati et al., (2025) found job satisfaction was not proven to be a significant mediator between training and performance. Furthermore, regarding another mediating role, Dewi et al., (2025) state job satisfaction served as crucial link among compensation and performance. Contrary to this, Idris et al.,(2020), founded job satisfaction does not mitigate the impact of compensation on actions. These contradictory empirical findings indicate an unresolved research gap concerning the role of job satisfaction in mediating the effects of training and compensation on employee performance. Therefore, further research is needed to provide a more comprehensive understanding of the relationships among training, compensation, job satisfaction, and employee performance. Accordingly, this study aims to examine the effects of job training and compensation on employee performance, with job satisfaction serving as a mediating variable. The findings are expected to contribute to the development of human resource management literature and provide practical insights for organizations in improving employee performance through effective training, appropriate compensation, and enhanced job satisfaction.

METHOD

The study applied a quantitative research technique. Sugiyono (2022) stated that quantitative research involves numerical data and is examined using statistical approaches. The quantitative approach was chosen because the study seeks to test the statistical relationships among variables using numerical measurement. This method was chosen because the research investigates the effects of three variables: job satisfaction as the mediating variable, job training and compensation as independent variables, and employee performance as the dependent variable. According to Sihotang,(2023), a survey approach was used to collect data from a large population by distributing survey forms to participants. This study was conducted among Ocean Garden employees in the Greater Malang area.

The population of this study comprises 170 employees of Ocean Garden who work in its culinary units across the Greater Malang area. Based on calculations using the Slovin formula with a 5% margin of error, a sample of 120 people—or 70.58% of the population—was selected; this sample is considered representative of the population. A proportionate stratified random sampling technique was used to ensure balanced representation across the service and kitchen sections. The questionnaire instrument was developed by adapting indicators validated in prior studies (Dessler, 2015; Robbins & Judge, 2015; Mathis & Jackson, 2008) and was reviewed by academic experts for content validity prior to distribution. Data were assessed using a Likert scale and were collected by distributing forms in person and via Google Forms. This method was also supported by a literature review of various relevant scientific sources. Partial Least Squares Structural Equation Modelling (PLS-SEM) was selected as the analytical method because it is well suited to predictive, theory-development research with relatively small to

medium sample sizes and does not require multivariate normally distributed data, unlike covariance-based SEM. PLS-SEM also allows the simultaneous estimation of multiple structural relationships, including mediation effects, making it appropriate for testing the hypothesised model in this study. Descriptive analysis, outer-model tests to assess validity and reliability, and inner-model tests to evaluate relationships between variables—including path coefficients and mediation effects—were conducted.

RESULT AND DISCUSSION

RESULTS

Descriptive Data Analysis

Involved 120 employees at Resto Ocean Garden in Malang. Demographic attributes such as age and gender describe the respondents' demographics more clearly. Table 1 showed descriptive outcome of the respondents' characteristics.

Table 1. Respondent Data

Item	Characteristics	Number	Percentage
Gender	Male	93 people	77.5 percent
	Female	27 People	22.5 percent
Section	Service	59 people	49.1 percent
	Kitchen	61 People	50.9 percent

Source: Processed Data 2026

Table 1 shows that 120 employees of Resto Ocean Garden Malang were the study respondents. By gender, the majority of respondents were male (77.5 per cent) and female (22.5 per cent). Based on work department, 61 respondents (50.9 per cent) worked in the kitchen, which was more than the 59 respondents (49.1 per cent) in the service department. The results indicate that the respondent composition was dominated by male employees, and the kitchen was the most represented department.

Validity and Reliability Test.

In construct validity testing, an indicator can represent the measured variable if it has a factor loading value above 0.700. The value showed the parameter had a strong association to the latent construct it represents. According to Hair (2022), convergent validity is established when an parameter achieved an outer loading of ≥ 0.700 , suggested that construct explained over 50% of the variance in the parameter. Additionally, to measure internal consistency, the composite reliability and cronbach's alpha are also over 0.700 for a construct to be deemed reliable. Therefore, if all items or indicators for each variable have factor loadings, composite reliability, and cronbach's alpha over 0.700, the research component can be considered both valid and reliable for subsequent analyses.

The results of the convergent validity assessment indicate that all indicators across the research variables have outer loadings above the recommended threshold of 0.700. This

demonstrates that all indicators adequately represent their respective constructs. Therefore, the measurement model satisfies the criteria for convergent validity and is suitable for further analysis.

Table 2. Reliability Test

No.	Variable	Cronbach's Alpha	Composite Reliability	Notes
1.	Job Training	0.944	0.946	"Reliable"
2.	Compensation	0.909	0.914	"Reliable"
3.	Employee Performance	0.970	0.973	"Reliable"
4.	Job Satisfaction	0.971	0.973	"Reliable"

Source: Smart-PLS output

Table 2. showed each variables had a composite reliability and cronbach's alpha exceeded minimum threshold of 0.700. This results indicate the research instrument is valid and capable of producing consistent measurements. Therefore, there are no issues with the reliability of the research model used.

Coefficient of Determination (R^2)

The coefficient of determination (R^2) was used to evaluate the explanatory power of the structural model. R^2 indicates the proportion of variance in an endogenous construct that is explained by the exogenous constructs linked to it. According to Hair et al. (2022), R^2 values of 0.75, 0.50, and 0.25 can be interpreted as substantial, moderate, and weak, respectively. The R^2 values for the endogenous constructs in this study are presented in Table 3.

Table 3. Coefficient of Determination (R^2)

Endogenous Variable	R^2	R^2 Adjusted	Category
Job Satisfaction	0.411	0.401	Weak to Moderate
Employee Performance	0.925	0.923	Substantial

Source: Smart-PLS output

Table 3 shows that job training and compensation together explain 41.1% of the variance in job satisfaction, while the remaining 58.9% is explained by other factors outside the model, such as leadership, work environment, or organisational culture. This value falls between the weak and moderate categories. Meanwhile, job training, compensation, and job satisfaction together explain 92.5% of the variance in employee performance, while the remaining 7.5% is explained by other factors outside the model. This value falls into the substantial category, indicating that the model has strong explanatory power for employee performance. These results suggest that job satisfaction, together with job

training and compensation, plays an important role in explaining variations in employee performance at Resto Ocean Garden Malang.

Path Coefficients Test

To measure research hypotheses, primary impact analysis was employed. The objective was to examine the direct influences of exogenous and endogenous. Using the bootstrapping process in SmartPLS 4, *t*-statistic and *p*-value estimates were obtained to evaluate the hypotheses. According to Hair (2022), at a 5% significance level with a two-tailed test, the hypothesis is confirmed if the *t*-statistic is greater than 1.960 and the *p*-value is less than 0.050. Conversely, it is rejected if the *t*-statistic is less than 1.960 and the *p*-value is greater than 0.050. Based on these criteria, the outcome of the path coefficient tests were used to determine whether the hypotheses confirmed.

Table 4. Results for Path Coefficients

Relationships Among Variables	T-statistics	P-Value	Description
Job Training → Employee Performance	3.184	0.001	Accepted
Compensation → Employee Performance	2.001	0.045	Accepted
Job Training → Job Satisfaction	2.344	0.019	Accepted
Compensation → Job Satisfaction	6.885	0.000	Accepted
Job Satisfaction → Employee Performance	6.698	0.000	Accepted

Source: Smart-PLS output

Table 4 shows that all five path relationships meet the statistical significance criteria, with *t*-statistics above 1.960 and *p*-values below 0.050. The interpretation of these results in relation to the study's hypotheses is presented in the Discussion section.

Indirect Effect Test

Performed using a *specific indirect effect* analysis to determine role of mediate variables in bridging the link among the exogenous and endogenous variables. Significance was evaluated through examining the *t*-statistic and *p*-value gathered via the bootstrapping process in Smart-PLS. According to Hair (2022), a hypothesis is supported if it has a *t*-statistic > 1.960 and a *p*-value < 0.050 at a 5% Sig. Thus, if the test results show a *p*-value < 0.050 and a *t*-statistic > 1.960, then mediating variable is deemed capable of significantly mediating the influence of independent variable on dependent, and vice versa. The results of *specific indirect effect* are then used to determine the presence of a mediating effect in the research model. The outcome of the mediation test:

Table 5. Specific Indirect Effect

<i>Specific Indirect Effect</i>	<i>T-statistics</i>	<i>P-Value</i>	<i>Description</i>
Job Training → Job Satisfaction → Employee Performance	2.139	0.032	“Accepted”
Compensation → Job Satisfaction → Employee Performance	4.655	0.000	“Accepted”

Source: Smart-PLS output

Table 5 shows that both indirect paths meet the statistical significance criteria, with t-values above 1.960 and p-values below 0.050. The mediating role of job satisfaction is interpreted further in the Discussion section.

DISCUSSION

The Effect of On-the-Job Training on Employee Performance

The outcome showed on-the-job training positive and significant influences employees work at Resto Ocean Garden Malang. The t-statistic is 3.184 and the p-value is 0.001. H1 is confirmed as the t-statistic exceeds 1.960 and the p-value is below 0.050. Consequently, Job Training has been proven effective in improving employee performance at resto ocean garden malang. This implies that employees' capacity to carry out tasks in accordance with the operational requirements of the restaurant increases with the quality of their training. The increase in competencies that employees gain during training, particularly in areas of technical skills, work speed, order accuracy, service quality, and the capacity to manage hectic operational conditions, can be used to understand this influence.

In the context of Resto Ocean Garden Malang, job training impacts employees' capacity to carry out their duties more competently and reliably in addition to imparting knowledge about the profession. Employees can have a more methodical understanding of job phases by receiving training on order receipt and presentation processes, food safety, product knowledge, service SOPs, and equipment use. This knowledge makes it possible for workers to avoid making too many mistakes or asking for help when completing jobs, which improves workflow and lowers the likelihood of mistakes.

These findings support research conducted by Shiri et al., (2023), that employees achieve higher levels of success when they receive ongoing job training. Dewi et al. (2023) stated on-the-job training had been shown to have a positively and significantly impact on employees action. (Hidayat et al., 2024) also affirm that training can improve employees' abilities, skills, and work effectiveness, thereby leading to improved performance. According to Ananto et al. (2023), on-the-job training, as a dependent variable, had a significant impact on employees action. (Getahun & Yohannes, 2025) show that training had a statistically significantly impact on action.

The Effect of Compensation on Employee Performance.

The research found the compensation provided to employees at Resto Ocean Garden Malang had a positively and significantly influence on performance. The test results

show a t-statistic of 2.001 and a p-value of 0.045. These results indicate that the hypothesis is supported, as the t-statistic exceeds 1.960 and the p-value is below 0.050. Thus, compensation has been shown to enhance employee performance. The higher the compensation received, the stronger employees' motivation to increase their effort and sense of responsibility at work. In restaurant operations that require speed, accuracy, and consistency in service, compensation can boost motivation, a sense of being valued, and the desire to excel so that employees are more responsive in serving customers, reduce errors, and complete tasks in accordance with standards. Therefore, compensation serves not only as a reward but also as a tool that encourages employees to increase their efforts and achieve better performance.

The implications of these findings suggest that compensation should be These findings imply that compensation should be structured to reinforce work behaviours that support restaurant operations. The provision of incentives or rewards Linking the provision of incentives or rewards to performance metrics such as productivity, service quality, discipline, and goal achievement can enhance their effectiveness. Connecting incentives or rewards to performance measures like productivity, service quality, discipline, and goal achievement can make them more effective. The relationship between effort and these rewards can encourage employees to maintain consistent performance, thereby enabling compensation to function as a strategic tool for improving employee performance.

This outcome aligned as Milen et al. (2025), indicates compensation had a significant influence on employees performance, particularly through the provision of bonuses and incentives that boost work motivation. Additionally, Syuchriah & Suwandi (2024) stated compensation significant influences performance and can enhance employees motivation at work. According to Cahyaniwati et al. (2023), stated compensation had a significantly good influence on employee performance. Study by Novita et al. (2022) also demonstrates compensation had a significantly influence on employees performance, contributing substantially to improved job outcomes.

The Effect of Job Training on Job Satisfaction.

On-the-job training positively and significantly influences job satisfaction among employees at Resto Ocean Garden Malang, as shown by this study. The test results show a t-statistic of 2.344 and a p-value of 0.019. These results reveal that the hypothesis is supported, as the t-statistic exceeds 1.960 and the p-value is less than 0.050. The more appropriate and effective the training provided, the higher the employee satisfaction in performing their job. This mechanism occurs because training enhances employees' competence and confidence, making them better able to meet job demands and reducing difficulties and errors in restaurant operations. In addition, the opportunity to acquire new skills provides the perception that the company cares about the development of employees' abilities so that work is not only seen as a routine but also as an opportunity for growth. These conditions can create a sense of comfort, capability, and appreciation, which ultimately strengthens job satisfaction.

Managerially, these findings indicate that training needs to be designed based on real problems and demands in restaurant work, rather than merely being conducted as a routine activity. Training can be tailored to the needs of each position, and its effectiveness can be enhanced through hands-on practice, supervisor mentoring, and post-training evaluations to assess changes in job performance. With this approach, training not only enhances technical skills but also reduces pressure due to the inability to perform tasks, boosts self-confidence, and provides a perception of opportunities for self-development.

Thus, training becomes a means of linking competency improvement with a more positive work experience, directly fostering employee job satisfaction. These findings align by Choiriyah & Riyanto (2021), found on-the-job training had a positively and significantly impact on employees satisfaction. Jami & Utami (2020) also found that on-the-job training had a positively and significantly link with job satisfaction. Additionally, Mariana et al. (2024) found employee satisfaction levels are influenced by the level of on-the-job training.

The Effect of Compensation on Job Satisfaction.

The research results indicate employee compensation at Resto Ocean Garden Malang had a positively and significant impact on job satisfaction. The test results show a t-statistic of 6.885 and a p-value of 0.000. These results indicate that the hypothesis is supported, as the t-statistic exceeds 1.960 and the p-value is below 0.050. The research revealed that compensation has a positive and significant effect on employee satisfaction, indicating that compensation functions not only as financial remuneration but also as a form of organisational recognition of employees' contributions. In the context of Resto Ocean Garden Malang, fair and appropriate wages, incentives, benefits, and other forms of compensation can create employees' perceptions that the rewards they receive are proportional to their workload, responsibilities, and performance. Such perceptions of fairness strengthen employees' sense of being valued and respected by the company, thereby fostering greater satisfaction with their work.

Therefore, management and the HR department should ensure that the compensation system is transparent, equitable, and aligned with employees' contributions through periodic salary evaluations, performance-based incentives, welfare benefits, and recognition of outstanding performance. When employees perceive that the company fairly appreciates and rewards their efforts, compensation can strengthen employee satisfaction and foster a more positive relationship between employees and the organisation. The outcome of research align with Dwipayanthi et al. (2023), states that job satisfaction is influenced by the compensation employees receive. The findings of Gilman et al. (2023) demonstrate compensation can enhance employees' feel of security and comfort, thereby leading to increased job satisfaction. Study by Lestari et al. (2024) also found compensation had a positively and significant influence on employees satisfaction levels. Recent research by Mariska (2025), further showed compensation good influences employee job satisfaction within organisations.

The Effect of Job Satisfaction on Employee Performance.

The study outcome showed job satisfaction at Resto Ocean Garden Malang had a positively and significantly influence on employees work. The test results show a t-statistic of 6.698 and a p-value of 0.000. Since the t-statistic exceeds 1.960 and the p-value is less than 0.050, it can be concluded that an increase in employee job satisfaction will lead to an increase in employee performance at Resto Ocean Garden Malang. The findings indicate that job satisfaction has a positive and significant effect on employee performance, suggesting that satisfied employees tend to demonstrate greater engagement, cooperation, and discipline in carrying out their responsibilities. In the context of Resto Ocean Garden Malang, employees who feel satisfied with their jobs are more likely to show enthusiasm in completing tasks, cooperate effectively with colleagues, comply with established work procedures, and remain responsive to operational demands, particularly during busy restaurant hours. These positive work attitudes can directly support service quality, as satisfied employees tend to interact more positively with customers, respond promptly to their needs, and maintain consistency in delivering service.

Therefore, efforts should be directed toward enhancing employee job satisfaction through a supportive work environment, effective internal communication, opportunities for career development, and fair recognition of employee contributions. These efforts can strengthen employees' commitment and motivation, thereby improving individual performance and contributing to the overall quality of restaurant operations. The findings of this study align with previous research by Adawiah et al. (2025), which showed that job satisfaction has a positive and significant impact on employee performance, resulting in higher levels of job satisfaction followed by improved employee performance. Another study by Pasaribu et al. (2025) also stated job satisfaction had a direct influence on improving work outcomes and employee productivity. Furthermore, Rifki & Sesmiarni (2025) state that job satisfaction contributes significantly to improving the effectiveness and efficiency of employees performance. Study by Leli & Rozak (2026) shows job satisfaction is essential factors influenced employees performance, along with aspect which is work discipline and motivation.

The Role of Job Satisfaction in Mediating the Effect of Job Training on Employee Performance.

Research indicates that job satisfaction mediates the effect of job training on employee performance at Resto Ocean Garden Malang. The results show a t-value of 2.139 and a p-value of 0.032. Since the t-value exceeds the critical value of 1.960 and the p-value is below 0.050, this indirect effect is statistically significant. However, the t-value of 2.139 is relatively close to the critical value of 1.960, indicating that the mediating effect is statistically significant but relatively weak. This suggests that job satisfaction does indeed play a mediating role in the relationship between on-the-job training and employee performance, but its statistical strength is limited. The results demonstrate that job satisfaction plays a crucial mediating role in the relationship between job training and employee performance, implying that training advantages surpass mere technical

skill acquisition. In the setting of Resto Ocean Garden Malang, proficient training can improve employees' skills and self-assurance in executing their responsibilities, thereby augmenting their job satisfaction. This heightened satisfaction motivates employees to be more involved, responsive, collaborative, and dedicated to their duties, thus converting the advantages of training into enhanced performance, service excellence, and attainment of work objectives.

Consequently, management ought to develop training initiatives that align with employees' operational requirements and offer experiential learning, guidance, mentorship, and assessments following the training. When workers believe that training enhances their performance capabilities and offers significant developmental prospects, it can lead to increased job satisfaction, thereby reinforcing its impact on employee performance. These findings align with Setiawan et al. (2021), showed training had a positively influence on employees performance and that job satisfaction significant mediates this link. Research by Hakim & Handayani (2025) also found job satisfaction, as an intervening variable, had a positively and significantly influence on the link among training and action. Additionally, research by Gunawan & Hartono (2022) stated training had a positively influence on job satisfaction and performance and that job satisfaction can act as a mediator.

However, Kasmawati et al., (2025) discovered that job satisfaction was not established as a significant intermediary between training and performance. In contrast, the findings of this study can be explained by the specific characteristics of the restaurant industry and the operational context of Resto Ocean Garden Malang, where training is closely linked to employees' daily tasks, such as service procedures, teamwork, food handling, and responding to customer needs. Job-relevant training can strengthen employees' competencies and self-confidence in carrying out their responsibilities, which in turn increases their job satisfaction and fosters greater engagement, cooperation, discipline, and commitment to service quality.

The Role of Job Satisfaction in Mediating the Effect of Compensation on Employee Performance.

The research results indicate that job satisfaction mediates the relationship between compensation and employee performance at Resto Ocean Garden Malang. The results show a t-statistic of 4.655 and a p-value of 0.000. Since the t-statistic is substantially higher than the critical value of 1.960 and the p-value is below 0.050, the indirect effect is statistically significant. Therefore, job satisfaction significantly mediates the effect of compensation on employee performance. Compared with H6, the higher t-statistic indicates stronger statistical evidence for the mediating role of job satisfaction in the relationship between compensation and employee performance. The findings indicate that job satisfaction significantly mediates the effect of compensation on employee performance, demonstrating that compensation contributes to performance not only through its direct financial value but also through the psychological response it generates among employees.

In the context of Resto Ocean Garden Malang, fair and appropriate salary, incentives, benefits, and workplace facilities can create a sense of appreciation, recognition, and fairness, which strengthens employees' job satisfaction. This satisfaction subsequently translates the rewards received into positive work attitudes, such as greater motivation, responsibility, discipline, cooperation, and commitment to delivering quality service. Thus, job satisfaction serves as an important psychological mechanism that transforms both financial and non-financial compensation into improved employee performance. Management and the HR department should therefore maintain a transparent and equitable compensation system that appropriately recognises employees' contributions, as employees who perceive that their efforts are fairly rewarded are more likely to experience higher satisfaction and channel this positive response into stronger performance and service quality.

These research findings align with those of Riza & Fazri (2023), which showed compensation had a positively influence on employees performance and job satisfaction and significantly mediates this relationship. Additional research by R. F. Dewi et al. (2025) also found that compensation had a significantly influence on performance by job satisfaction as an intervening. Lubis et al. (2021) also found that fair compensation increases job satisfaction, turn improves employees performance. However, Idris et al. (2020) found that job satisfaction did not significantly serve as a mediating variable in the effect of compensation on employee performance. This difference may be due to the specific characteristics of the restaurant industry and the work context at Resto Ocean Garden in Malang, where employees' perceptions of compensation are closely linked to their daily workload, service demands, and their contributions to restaurant operations. Fair wages, incentives, benefits, and other forms of compensation can foster a stronger perception of organisational recognition and fairness, thereby increasing satisfaction, which ultimately enhances employee performance.

CONCLUSIONS

The objective of this research was to examine how job satisfaction, as a mediating variable, influences employee performance under the effects of compensation and on-the-job training at Resto Ocean Garden in Malang. Based on the analysis using SmartPLS 4, the research objective was achieved: on-the-job training and compensation were found to have a positive and significant influence on employee performance and job satisfaction, and job satisfaction was found to have a positive and significant influence on employee performance. These findings suggest that when employees are provided with high-quality on-the-job training and adequate compensation, job satisfaction increases, which in turn leads to greater employee performance.

AUTHOR CONTRIBUTION

Zaeniko Saputra conceptualized the study, developed the manuscript, executed data collection, and conducted the analytical processing. Andi Nu Graha and Kristina Sedyastuti served as academic advisors, providing strategic direction, critical

supervision, and guidance throughout the drafting of the article. All authors reviewed and approved the final manuscript.

CONFLICT OF INTEREST

The authors declare no potential conflicts of financial or personal interest that could compromise the objectivity, integrity, or reporting of this research.

SIMILARITY STATEMENT

The authors affirm that this manuscript represents original research and has undergone institutional plagiarism screening via Turnitin, verifying compliance with acceptable similarity thresholds.

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