

## Effects of Work Flexibility and Compensation on Employee Performance through Job Satisfaction: Evidence from Shopee-Food East Java, Indonesia



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**ABSTRACT:** This study aims at analyzing the effect of work flexibility and compensation on partner performance through job satisfaction as a mediation. The population of this study was ShopeeFood driver partners in Malang Raya, East Java, Indonesia. The sampling technique used was probability sampling with simple random sampling. The samples used were 150 respondents. The data analysis method employed Structural Equation Modeling – Partial Least Square (SEMPLS) with SmartPLS 3.0 program. The findings show that work flexibility and compensation have a significant effect on performance. Compensation has a significant effect on job satisfaction but not job flexibility. The role of mediation also shows that job satisfaction is able to mediate the effect of compensation on performance, but cannot mediate the effect of work flexibility on performance.

**KEYWORDS:** Work Flexibility, Compensation, Job Satisfaction, Partner Performance

### 1. INTRODUCTION

The success of an enterprise can be achieved if the human resource works optimally. The role of partner performance is closely related to the achievement of company performance. Partner performance might be perceived as the results achieved by partners that are influenced by several factors (Asfiah, 2021). Every company needs to be aware the extent to which performance has been achieved as a reflection of success. One way that might be applied in maintaining performance is by considering the aspects of work flexibility, compensation and job satisfaction (Siregar et al., 2021).

Work flexibility is the freedom to arrange a more flexible work schedule related to the formal policies that have been set by resource management of a company. Flexibility consists of schedule flexibility related to how long to work (time flexibility), when to start work (timing flexibility) and the freedom to choose a place to work (place flexibility). The application of a flexible work schedule system is expected to make partners more comfortable and productive at work so that they can improve performance which will ultimately impact the job satisfaction. The research of Hashim et al. (2017) and Sabuhari et al. (2020) showed that work flexibility has a significant effect on improving performance. However, Fanda and Slamet (2019) showed that work flexibility has no significant effect on performance. In addition to work flexibility, compensation is also a variable that affects performance.

Compensation is all forms of financial and non-financial payments that an individual receives as an employment relationship (Dessler, 2020). This aims to boost morale which can subsequently help them to achieve the company's targets and objectives, as well as to improve their performance. In addition to boost the morale, compensation also aims to maintain performance. Compensation has a significant effect on performance (Siddiqi & Tangem, 2018; Kafid & Putra, 2020). The provision of compensation affects the productivity of human resources, which provides enormous benefits for the company. However, several researches showed that compensation has no effect on performance (Rinny et al., 2020; Rosalia et al., 2020; Siregar et al., 2021). This happens due to the drivers' dissatisfaction with the amount of compensation received. The target point system that is not achieved might reduce the drivers' job satisfaction and performance.

The research gap of this article lies in the intervening variable (mediation), namely job satisfaction. Job satisfaction is expected to mediate the effect of work flexibility and compensation on performance. Robbins & Judge (2017) explained that job satisfaction is a pride and positive feeling towards work through evaluations of job characteristics. The increase of job satisfaction with a flexible work schedule and good compensation will have an impact on improving performance. Work flexibility also has a significant effect on performance through job satisfaction (Wicaksono, 2019). Sudiarditha (2019) also explained that job satisfaction is able to significantly mediate the effect of compensation on performance. Work flexibility and compensation aim to

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provide job satisfaction which somehow affect performance improvement. The provision of remuneration for employees can meet physical needs as well as social status recognition in order to obtain job satisfaction.

This study discusses the Shopee-food phenomenon which began to operate in mid-2021 in several big cities in East Java. Shopee-food driver partners have a working time of 24 hours with a target of 12 deliveries, and 1 trip equals to 100 points. However, some drivers are unable to reach the work target due to numerous factors. The failure of achieving work targets might have an impact on the decreasing of driver performance and job satisfaction. The driver partners performance can also be assessed from the star rating given by the customer, which provide a quantitative assessment to their performance. Based on observations on Shopee-food, the maximum performance score of driver partners is 5.00, and only drivers who obtain over 4.70 will get daily bonus after completing the target. Otherwise, drivers with less than 4.70 score will not get a daily bonus due to the inoptimal work. This will result in a decrease of drivers' performance and job satisfaction. In addition to the target, work flexibility and compensation also have an impact on the less stable performance of partners at work.

## 2. LITERATURE REVIEW

### 2.1 Partner Performance

Performance is an actual behavior displayed by each individual as a result of his role in the company. The success of the company is significantly influenced by partner performance. Partner performance might be perceived as the results achieved by partners that are influenced by several factors (Asfiah, 2021). Partner performance is an achievement resulting from various roles that function in a company (Purwanto & Trihudyatmanto, 2018). The performance assessment toward partners will provide benefits for company managers in providing feedback to identify potential problems and how to solve them. Partner performance needs to be taken into account to determine the extent of success that has been achieved and to identify problems related to performance.

### 2.2 Work Flexibility

Work flexibility is a working system granting independence for the workers in setting their work schedule aiming to instill moral, relieve work stress, and improve engagement of the workers in an organization (Hashim et al., 2017). Work flexibility is a freedom granted to human resources in a company to determine work schedules (Kabalina et al., 2019). The implementation of work flexibility facilitates human resources to discover alternatives of strategy in a company's competitive environment since a flexible worker can adapt better to the company's changing and uncertain situations and challenges. Therefore, work flexibility is crucial in improving the quality of human resources. Sabuhari et al. (2020), Wicaksono (2019), and Baeza et al. (2018) discovered that work flexibility significantly affects work performance. It also has an impact on work satisfaction. Moreover, work flexibility is a significant antecedent in establishing work satisfaction (Ma, 2018; Wicaksono, 2019; Siregar et al., 2021).

**H1: Work flexibility significantly affects partner's work performance H3: Work flexibility significantly affects work satisfaction**

### 2.3 Compensation

Compensation refers to a material or non-material reward and allowance in exchange for one's service as part of a working relationship (Dessler, 2020). It aims to assist a company in achieving its targets and guaranteeing fairness internally and externally. Compensation is what the workers gain in exchange for their contribution and service to a company (Rivai & Sagala, 2009). It is crucial in human resources management since it is a sensitive aspect of working relationships. A compensation system helps secure organizational values and facilitate a company's target achievement. The obtained compensation shows the status and recognition of a position in a company. If employee benefits from status and fulfillment, work satisfaction increases. Compensation significantly affects work performance (Tarmidi et al., 2021). Besides affecting work performance, it also involves work satisfaction. Sudiarditha (2019), Sumardjo et al. (2021) and Tarmidi et al. (2021) explained that proper compensation significantly affects work satisfaction.

**H2: Compensation significantly affects partner's work performance H4: Work compensation significantly affects work satisfaction**

### 2.4 Work Satisfaction

Work satisfaction is a proud and positive feeling towards an accomplished work observed through work characteristic evaluation (Robbins & Judge, 2017). It can be perceived as one's emotional state where the reward value provided by a company meets the expected remuneration rate. The remuneration rate is commensurate with the level of work satisfaction. Work satisfaction indicates pleasure or discouragement and satisfaction or discontentment over a given task (Rivai & Sagala, 2009). Better

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judgement on the desired task leads to higher work satisfaction. Companies believe that higher work satisfaction generates a more increased level of productivity. Work satisfaction significantly affects work performance (Yusuf et al., 2020; Rinny et al., 2020; Rosalia et al., 2020). It also plays as an antecedent and mediator. Wicaksono (2019) showed that work satisfaction significantly mediates the effect of work flexibility and compensation on work performance. Moreover, Sudiarditha (2019) confirmed that compensation significantly affects work performance through work satisfaction (Marnis & Priyono, 2008).

**H<sub>5</sub>: Work satisfaction significantly affects partner's work performance**

**H<sub>6</sub>: Work satisfaction significantly mediates the effect of work flexibility on partner's work performance H<sub>7</sub>: Work satisfaction significantly mediates the effect of compensation on partner's work performance**

### 3. METHODOLOGY

This research applies the quantitative method with an explanatory approach. The quantitative method comprises numbers that can be processed and analyzed with mathematics calculation or statistics (Sekaran, 2003). The characteristic of this research is replication; thus, the hypothesis test results should be supported by previous researches and repeated with an approximately similar condition. The population covers ShopeeFood drivers in Malang City, Malang Regency, and Batu City. The drivers were selected through simple random sampling. Simple random sampling refers to a sampling technique using probability in which every single element of a population has a recognized chance to be selected as a subject (Sekaran, 2003). There are 150 respondents obtained by multiplying the number of the indicator by five (Sekaran, 2003).

The researcher collected the data using Google Form as a questionnaire with a 1-5 point Likert scale. The scale ranges from Strongly Disagree (score 1), Disagree (score 2), Uncertain (score 3), Agree (score 4), and Strongly Agree (score 5).

Moreover, the researcher used SPSS to measure the initial research instrument and Smart PLS to test the Outer Model (Loading Factor, Cronbach Alpha, Composite Reliability, and Average Variance Extracted) and Inner Model (Path Analysis, Determination Coefficient, T-Statistic, and P-Value) (Haryono, 2017).

The drivers performance is measured by 1) work strategy; 2) quality service; 3) quantity of work; 4) punctuality; 5) creativity; 6) initiative; 7) cooperation; 8) resilience at work; and 9) individual ability (Asfiah, 2021; Rosalia et al., 2020; Sabuhari et al., 2020; Yusuf et al., 2020).

The compensation is measured by 1) wages; 2) incentives; 3) facilities; 4) protection against work accidents; 5) payment on time; and 6) compensation excluding wages and incentives (Siregar et al., 2021; Wicaksono, 2019).

Work flexibility is measured by 1) time flexibility; 2) timing flexibility; 3) place flexibility; 4) flexible communication; 5) flexibility in determining co-workers; and 6) flexibility of work program (Kabalina et al., 2019; Siregar et al., 2021)

Job satisfaction is measured by 1) the work; 2) wages; 3) incentives; 4) colleagues; 5) work safety; 6) management of organization; 7) knowledge; 8) work skill; and 9) attitude (Rosalia et al., 2020; Sabuhari et al., 2020; Tarmidi et al., 2021).

### 4. RESULTS AND DISCUSSION

The result showed that the respondents in this study have characteristics that can be seen from the categories of gender, age, education level and length of work. In the following, the researches present the characteristics of the respondents in table 1.

**Table 1 Respondents' Identity**

Gender	Male = 119 (79, 3 % )			Female = 31 (20,7%)		
Age	<21 y.o = 5(3,3% (52,7%)	21-30 y.o = 79 (28,7%)	31-40 y.o = 43 (11,3%)	41-50 y.o = 17 (6 (4%)	51-60 y.o =	
Education Level	Junior/Senior School = 140 (93,3%)	High Diploma= 6 (4%)		Undergraduate = 4 (2.7%)		
Length of work	<1 month = 7 (4,7%)	1-2 month = 60 (40%)		3-4 month = 83 (55,3%)		

Table 1 shows that most respondents are men, namely 119 respondents or 79.3%. They are at the age of 21–30, 79 respondents or 52.7%. Their education levels are mostly senior/vocational high school which is 140 respondents or 93.3%. Length of work is 3–4 months with 83 respondents or 55.3%.

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## 4.1 Measurement Model

Analysis of the instrument in this study before entering SmartPLS, the instrument was tested using SPSS version 2.6 to determine the validity and reliability. In the following, the researchers present the results of the instrument test using SPSS 2.6 in table 2.

Table 2. Data Instrument Test

	<i>Pearson Correlation</i>	<i>Corrected Item Total Correlation</i>	<i>Validity</i>	<i>Cronbach Alpha</i>	<i>Reliability</i>
<b>Work Flexibility (FLX)</b>					
FLX1	0.711**	0.568	Valid	0.849	Reliabel
FLX2	0.794**	0.681	Valid		
FLX3	0.766**	0.649	Valid		
FLX4	0.661**	0.526	Valid		
FLX5	0.807**	0.699	Valid		
FLX6	0.784**	0.671	Valid		
<b>Compensation (COM)</b>					
COM1	0.698**	0.553	Valid	0.786	Reliable
COM2	0.712**	0.557	Valid		
COM3	0.652**	0.458	Valid		
COM4	0.748**	0.612	Valid		
COM5	0.713**	0.569	Valid		
COM6	0.663**	0.485	Valid		
<b>Job Satisfaction (STF)</b>					
STF1	0.526**	0.384	Valid	0.847	Reliable
STF2	0.684**	0.586	Valid		
STF3	0.718**	0.632	Valid		
STF4	0.723**	0.628	Valid		
STF5	0.740**	0.652	Valid		
STF6	0.719**	0.624	Valid		
STF7	0.616**	0.483	Valid		
STF8	0.625**	0.499	Valid		
STF9	0.721**	0.629	Valid		
<b>Peformance (EMP)</b>					
EMP1	0.760**	0.682	Valid	0.842	Reliable
EMP2	0.751**	0.645	Valid		
EMP3	0.719**	0.592	Valid		
EMP4	0.586**	0.437	Valid		
EMP5	0.609**	0.509	Valid		
EMP6	0.613**	0.517	Valid		
EMP7	0.740**	0.646	Valid		
EMP8	0.633**	0.532	Valid		
EMP9	0.600**	0.492	Valid		

Table 2 shows that the variables and the indicators are significantly correlated, verified by the *Pearson Correlation* result, close to 1. The *Corrected Item Total Correlation* value is more than the critical value 0.1603 in the r table with  $\alpha = 5\%$  and  $n = 150$ , which confirmed that the indicator is valid (Ghozali, 2018). The *Cronbach Alpha* is more than 0.60 confirmed that each variable is reliable (Ghozali, 2018). The test results indicate that the questionnaire can measure the relationship between the independent variable and dependent variable.

Table 3 Loading Factor

Item	<i>Loading Factor (early stage)</i>	<i>Loading Factor (final stage)</i>	<i>Factor Explanation</i>
<b>Work Flexibility (FLX)</b>			
FLX1	0.704	0.709	
FLX2	0.782	0.784	
FLX3	0.799	0.805	

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FLX4	0.723	0.733	
FLX5	0.762	0.745	
FLX5	0.741	0.723	
<b>Compensation (COM)</b>			
COM4	0.788	0.836	
COM5	0.763	0.817	
COM6	0.674	0.732	
<b>Job Satisfaction (STF)</b>			
STF2	0.720	0.749	
STF3	0.749	0.753	
STF4	0.719	0.736	
STF5	0.754	0.796	
STF6	0.736	0.795	
<b>Performance (EMP)</b>			
EMP5	0.696	0.737	
EMP6	0.713	0.761	
EMP8	0.728	0.823	
EMP9	0.702	0.824	-

Based on table 3, COM1, COM2, COM3, STF1, STF7, STF8, STF9, EMP1, EMP2, EMP3, EMP4, and EMP7 indicators are deleted, due to the *loading factor* value used is 0.70, though the limit value is 0.50-0.60, so it is not reliable to analyze. Whereas the other indicators with a value of more than 0.70 are reliable.

**Table 4 Outer Model Test (Construct Reliability dan Validity)**

Variable	Cronbach's Alpha	Composite Reliability	AVE	Explanation
Work Flexibility	0.848	0.885	0.563	Reliable
Compensation	0.710	0.838	0.634	Reliable
Job Satisfaction	0.824	0.876	0.587	Reliable
Performance	0.795	0.867	0.620	Reliable

According to table 4, the *Average Variance Extracted* (AVE) results have met the minimum criteria above 0.50. The *Composite Reliability* and *Cronbach's Alpha* have also met the criteria above 0.70. Hence, it is reliable to further analyze.

SmartPLS analysis for the Inner Model test uses data of 150 respondents with Complexity: Basic Bootstrapping, Confidence Interval Method: Bias-Correccted and Accelerated (IBCA) Bootstrap, Subsamples: 300, Significance Level: 0.05 and Test Type: Two Tailed.

**Table 5 Direct Relationship**

Variable	Original Sample	Standard Deviation	T Statistic	P Value
FLX-> EMP	0.038	0.014	2.672	0.008
COM-> EMP	-0.299	0.057	5.283	0.000
FLX-> STF	0.035	0.039	0.886	0.376
COM-> STF	0.920	0.024	37.990	0.000
STF-> EMP	1.244	0.048	26.052	0.000

Based on table 5, the effect of work flexibility on performance is significant with t statistics  $2.672 > 1.96$  and significance  $< 0.05$ , equal to 0.008. It indicates that the implementation of work flexibility improves the driver's work performance. Also, the effect of compensation on the performance is confirmed significant with t statistics  $5.283 > 1.96$ , and significance  $< 0.05$ , equal to 0.000, which shows that the received compensation can also improve the driver's work performance. However, the work flexibility does not affect job satisfaction with t statistics  $0.886 < 1.96$ , and significance  $> 0.05$ , equal to 0.376. The flexible work

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schedule is considered unsatisfactory and causes the drivers to be confused because they have no working operation hours. Moreover, compensation on work satisfaction is significant with  $t$  statistics  $37.990 > 1.96$ , and significance  $< 0.05$ , equal to  $0.000$ . Providing reasonable compensation can stimulate drivers to be more productive and impact increasing work performance and job satisfaction. Job satisfaction significantly affects work performance with  $t$  statistics  $26.052 > 1.96$ , and significance  $< 0.05$ , equal to  $0.000$ , which means that the drivers' job satisfaction impacts work performance.

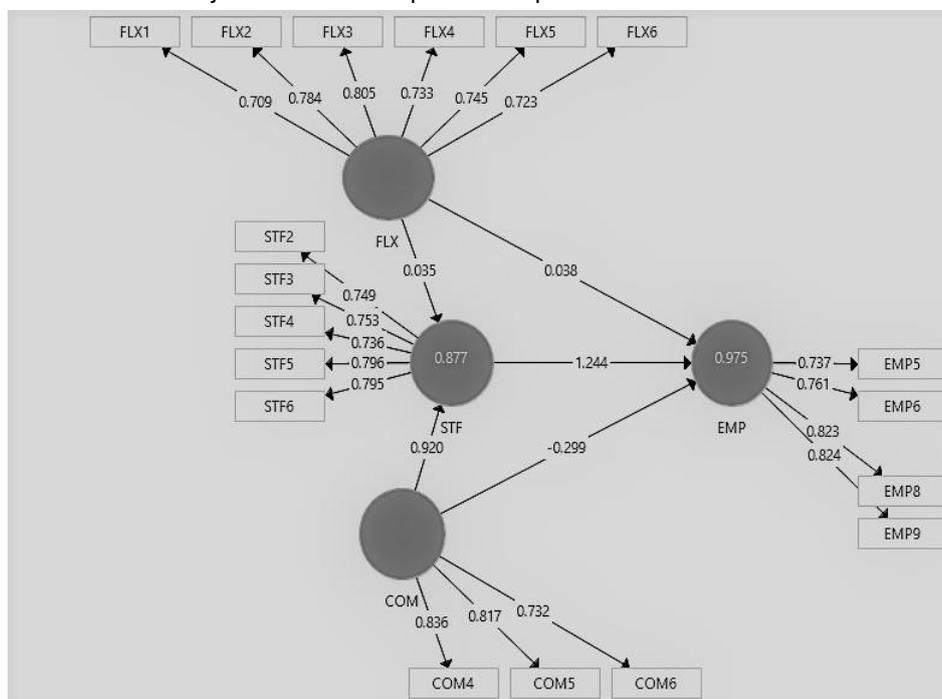


Figure 1. The Structural Model

### 4.3 Discussion

Based on the results of testing the first hypothesis regarding the direct relationship of work flexibility to performance, it shows that work flexibility has a significant effect on performance. These results are in line with the research of Sabuhari *et al.* (2020) and Siregar *et al.* (2021) that work flexibility has a significant effect on performance. The implementation of work flexibility makes it easier for *drivers* to manage work schedules so they can work more productively. However, the results of this study are not in line with the research of Fanda and Slamet (2019) and Saputro *et al.* (2021) which shows the results that work flexibility has no significant effect on performance. Flexible work schedules make *drivers* work as they please which results in decreased performance.

Work flexibility in this study is measured based on six indicators, namely freedom in determining when to start work, freedom in determining the duration of work, freedom in determining *spot points* in carrying out work, freedom in contacting *servers*, freedom in determining colleagues and freedom in determining target performance points. These results prove that the performance of *drivers* increases when they are free to determine when to start working with the duration and *spot point* as desired. In addition, they are also free to contact *the server* if there are problems in working for 24 hours. Freedom in determining co-workers has an impact on improving performance because it reduces work stress. *Drivers* are free to determine the target point system starting from safe one (6 times delivery) to maximum safe (12 deliveries).

The results of testing the second hypothesis of the relationship between compensation and performance, show that compensation has a significant effect on performance. These results are in line with research (Emerole & Ogbu, 2019; Siddiqi & Tangem, 2018; Kafid & Putra, 2020). Providing good compensation can foster the morale of the *drivers* which can have an impact on improving performance. However, the research results are not in line with the research (Rosalia *et al.*, 2020; Siregar *et al.*, 2021; Rinny *et al.*, 2020). This happens because the target point system that is not achieved with insufficient compensation causes a decrease in the performance of the *drivers*.

Compensation in this study is measured based on six indicators, namely the amounts of wages, incentives, facilities provided, protection against work accidents, timely payments, and compensation outside of wages and incentives. These results prove that the work accident protection guarantee provided makes *drivers* work more optimally. *Shopee-food* cooperates with the Salvus company in relation to work accident insurance by providing a fee of Rp. 10,000,000,- for cases related to criminal and permanent

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disability. Cost Rp. 1.000.000,- for minor accidents and costs Rp. 2,000,000, - for the cost of death money. The payment system on time, namely the day after work, has an impact on improving performance. Payments outside of wages and incentives are also very important because when a fictitious order occurs, the *driver* will not feel a loss because their money will be returned on the condition that the purchased food is given to the orphanage and documented as a report.

The results of testing the third hypothesis regarding the direct relationship of work flexibility to job satisfaction, indicate that work flexibility has no effect on job satisfaction. These results are not in line with research (Ma, 2018 ; Siregar *et al.* , 2021 ; Findriyani & Parmin, 2021 ; Maya & Anggresta, 2020) which shows that work flexibility has a significant effect on job satisfaction. The implementation of a flexible work program should be able to increase job satisfaction. However, the results of this study indicate that having a flexible work schedule has no significant effect on *driver job satisfaction*, because with flexible working hours they feel confused in determining the appropriate working hours because there is no main work schedule.

These results prove that job satisfaction cannot be influenced by freedom in determining when to start work, freedom in determining the duration of work, freedom in determining *spot points*, freedom to contact *the server* when an obstacle occurs, freedom in determining colleagues and freedom in determining performance target points. Companies need to provide core hours of work with additional attractive bonuses. Because the culture of Indonesian people work with the rules of core working hours. The facts in the field show that working with very flexible rules, it turns out that *drivers* are still not satisfied. A flexible work schedule sometimes makes *drivers* feel confused about starting work because there are no main hours at work. Unlike the case with Gojek, which enforces main working hours at 16.00-21.00 with additional attractive bonuses.

Testing the fourth hypothesis, namely the relationship between compensation and job satisfaction, shows that compensation has a significant effect on job satisfaction. These results are in line with research (Yusuf *et al.* , 2020; Sudiarditha, 2019 ; Siregar *et al.* , 2021) . Providing compensation in accordance with the expectations of the *drivers* can increase passion in work which can have an impact on increasing job satisfaction. However, the results of the study are not in line with the research of Rosalia *et al.* (2020) which shows the results that compensation has no significant effect on job satisfaction. Giving compensation that is not in accordance with the work that has been done can reduce job satisfaction.

Compensation in this study is measured based on accident protection, timely payment, and compensation outside of wages and incentives. The direct test results show that the compensation variable has a dominant effect on job satisfaction. This happens because the work accident insurance provided makes drivers work more calmly because they have insurance in the event of a work accident. *Drivers* are very satisfied regarding the payment system on time the day after work. *Drivers* also feel safe when they get a fictitious order because their money will be returned by *Shopee-food*, thereby reducing losses at work.

The results of testing the fifth hypothesis of the relationship between job satisfaction and performance, show the results that job satisfaction has a significant effect on performance. In line with research (Sudiarditha, 2019; Sabuhari *et al.* , 2020; Yusuf *et al.* , 2020) . Job satisfaction achieved can have a positive impact, namely the achievement of increased performance. However, it is not in line with the research of Maya and Anggresta (2020) . Someone who is dissatisfied with his job will tend to show negative behavior that can reduce performance.

Job satisfaction is measured through nine indicators, namely the work itself, wages, incentives, co-workers, security at work, organization in management, knowledge of work, skills at work and attitudes at work. These results prove that the wages of Rp. 8.000, - within 1-3 km delivery distance is enough because compared to similar platforms, *Shopee-food delivery fees* are higher. Co-workers who always change will also reduce boredom at work so as to create supportive working conditions. Safety at work with accident insurance coverage gives *drivers a sense of calm* so they can focus on improving performance. Organizations with good management in the form of quick responses to complaints about problems at work also have an impact on increasing *driver satisfaction and performance*.

Based on the results of testing the sixth hypothesis of the *Specific Indirect Effect* of the relationship of work flexibility on performance through job satisfaction, it shows that job satisfaction is not able to mediate the effect of work flexibility on performance. This is consistent with the results of the Sobel test which shows that job satisfaction is not able to mediate the effect of work flexibility on performance. These results are not in line with research (Wicaksono, 2019; Findriyani & Parmin, 2021; Maya & Anggresta, 2020) which shows the results that job satisfaction is able to significantly mediate the effect of work flexibility on performance. If job satisfaction is not achieved it can have an impact on decreasing performance.

The researcher concludes that job satisfaction is not able to mediate the effect of work flexibility on performance. This happens because the implementation of a flexible work schedule is considered confusing for *drivers* in determining the main hours of work. Job satisfaction that is not achieved can reduce the performance of the *drivers*. In contrast to Gojek, although the company provides a flexible work schedule, the main working hours are still determined. *Drivers tend to work during* prime hours with the

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aim of obtaining bonuses determined by the company. Of course, the bonus given when carrying out work during the main working hours is higher than outside the main working hours.

Based on the results of testing the seventh hypothesis of the *Specific Indirect Effect* of compensation relationship on performance through job satisfaction, it shows that job satisfaction is able to mediate the effect of compensation on performance. This is in line with the results of the Sobel test which shows that job satisfaction is able to mediate the effect of compensation on performance. These results are in line with the research of Wicaksono (2019) and Sudiarditha (2019) which showed that job satisfaction was able to significantly mediate the effect of compensation on performance. Provision of adequate and timely compensation can increase job satisfaction which has an impact on improving performance. However, it is not in line with research by Maya and Anggresta (2020), providing compensation that is not commensurate with the sacrifices in work has an impact on decreasing job satisfaction and performance.

The researcher concludes that the better the compensation given in the form of a guarantee of protection against work accidents, the impact on the *driver's feeling of feeling safe at work*. Paying on time the day after work has an impact on increasing job satisfaction and performance. Compensation other than wages and incentives, namely payments for fictitious orders received by *drivers*. The company will provide compensation for the fictitious order on the condition that the food must be delivered to the orphanage and documented.

### 5. CONCLUSION

Work flexibility does not have a significant effect on performance, because a flexible work schedule makes drivers work as they please which has an impact on performance degradation.

A timely payment system is very attractive to drivers, and has an impact on improving performance. Payments outside of wages and incentives are also very important because when a fictitious order occurs, the driver will not feel a loss because their money will be returned on the condition that the purchased food is given to the orphanage and documented as a report.

Job satisfaction cannot be influenced by freedom in determining when to start work, duration of work, determining spot points, contacting servers when problems occur, determining co-workers and determining target performance points. Companies need to provide core hours of work with additional bonuses that are more attractive.

Compensation has a dominant effect on job satisfaction, which is caused by the existence of a work accident guarantee for drivers while working. Drivers are very satisfied with the payment system on time the day after work, and feel safe when they get a fictitious order because their money will be returned by Shopee-food, thereby reducing losses at work. Therefore, the provision of wages is considered sufficient compared to similar platforms.

The results also reveal that job satisfaction is not able to mediate the effect of work flexibility on performance. This happens because the implementation of a flexible work schedule is considered confusing, and will be able to reduce the performance of the drivers.

The next conclusion is that the better compensation in the form of guarantees for protection against work accidents, the impact on the sense of security at work, as well as proper payment.

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