

Impact of Working Conditions, Flexibility, and Compensation on the Performance of Indonesian Migrant Workers in Australia: Mediating Role of Job Satisfaction

Albert Lianto¹, Ramadania², Dody Pratama Marumpe³, Ilzar Daud⁴, Hasanudin⁵
¹²³⁴⁵Universitas Tanjungpura, Indonesia

Correspondent: abertyanto603@gmail.com¹

Received : November 12, 2024

Accepted : December 11, 2024

Published : January 31, 2025

Citation: Lianto, A. Ramadania. Marumpe, P.D. Daud, I. Hasanudin. (2025). The Impact of Working Conditions, Work Flexibility, and Compensation of Indonesian Migrant Workers Performance in Australia Mediated by Job Satisfaction. *Ijomata International Journal of Management*, 6(1), 345 - 361

<https://doi.org/10.61194/ijjm.v6i1.1508>

ABSTRACT: International migration, particularly involving Indonesian migrant workers (TKI) in Australia, has become significant, with nearly 100,000 TKI recorded in 2022. This study investigates the factors influencing their migration decision, focusing on working conditions, work flexibility, and compensation. A total of 149 respondents of Indonesian migrant workers in Australia completed the questionnaires, collected using non-probability and snowball sampling techniques. It was analysed using Structural Equation Modeling (SEM) with SmartPLS 3 software. The outcome reveals that working conditions positively affect performance, confirming that a supportive work environment enhances productivity. In contrast, work flexibility negatively impacts performance, while compensation shows a positive but statistically insignificant effect. Job satisfaction emerges as a critical mediator, with satisfied employees performing better. The findings suggest companies should improve working conditions and compensation systems to enhance job satisfaction and performance. Additionally, the study provides insights for the Indonesian Government on the importance of labour policies that promote worker welfare, such as fair wages and improved conditions, potentially reducing reliance on international migration. Future studies should incorporate a wider array of variables and a more diverse group of respondents to enhance generalizability.

Keywords: International Migration, Indonesian Migrant Workers, Working Conditions, Work Flexibility, Compensation, Job Satisfaction, Performance.



This is an open-access article under the CC-BY 4.0 license

INTRODUCTION

International migration has become an increasingly significant phenomenon in globalisation, with Indonesian migrant workers (TKI) playing a crucial role in various destination countries, including Australia. The rising number of TKI in Australia highlights their valuable contributions across multiple economic sectors. However, this trend poses a potential threat to Indonesia's domestic workforce, as skilled workers increasingly choose to work abroad, potentially reducing Indonesia's labour force and impacting national economic growth.

Impact of Working Conditions, Flexibility, and Compensation on the Performance of Indonesian Migrant Workers in Australia: Mediating Role of Job Satisfaction

Lianto, Ramadania, Marumpe, Daud, and Hasanudin

Australia was selected as the research location due to its significant TKI population and relatively open migration policies, allowing for a diverse and representative analysis. This phenomenon may be influenced by factors that are insufficiently addressed in Indonesia but are available in Australia, including working conditions, work flexibility, and compensation. Studies on these factors, however, have produced mixed findings. For instance, Campbell (2010) suggests that poor working conditions can negatively impact migrant workers' psychological well-being and performance, stressing the importance of fair treatment under Australian labour laws. In contrast, Candana et al. (2020) found no significant connection between working conditions and employee performance.

Similarly, flexibility in work schedules has emerged as a critical factor in balancing work and personal life. Dixon et al. (2019) demonstrated that excessive working hours negatively impact employees' physical and mental health, reducing their effectiveness and performance. Australia's regulated work hours, such as the 38-hour cap for Working Holiday Visa (WHV) holders and the 20-hour limit for student visa holders, contribute to a healthier work-life balance, thereby supporting better performance. Yet, Silvi Asna Prestianawati et al. (2023) found that work flexibility does not significantly affect performance, adding further complexity to the topic.

Compensation also plays a direct role in influencing performance. According to Hikmah Perkasa et al. (2019), fair compensation improves job satisfaction, motivation, and performance. Australia's compensation policies, including social employment protections, are significantly more comprehensive than those in Indonesia. However, research by Ida (2023) suggests that compensation does not always positively impact employee performance, indicating that further investigation is needed to clarify these relationships.

Job satisfaction is crucial to motivation, performance, and employee retention. High job satisfaction can enhance engagement and productivity, while dissatisfaction may lead to stress and high turnover, impacting performance (Pramudya Linggar Mawarni & Tiarapuspa, 2023). As a mediating variable, job satisfaction helps explain how working conditions, work flexibility, and compensation indirectly influence performance. This study aims to fill the research gap created by inconsistent findings in prior studies regarding these factors' influence on performance.

The outcomes of this research are expected to encourage the Indonesian government to review labour policies, particularly in developed countries like Australia, and consider adopting reforms to improve worker performance and satisfaction domestically, thus supporting broader economic growth in Indonesia.

METHOD

This research adopted a causal design with quantitative methods to objectively assess the causal relationships between working conditions, work flexibility, compensation, and performance among Indonesian migrant workers (TKI) in Australia. Data were collected online via questionnaires distributed across major cities in Australia, such as Sydney, Melbourne, and Perth, where many TKI reside. Responses were recorded using a 5-point Likert scale in Google Forms, ranging from 1 ("strongly disagree") to 5 ("strongly agree").

Impact of Working Conditions, Flexibility, and Compensation on the Performance of Indonesian Migrant Workers in Australia: Mediating Role of Job Satisfaction

Lianto, Ramadania, Marumpe, Daud, and Hasanudin

Due to challenges in identifying the exact population size, the sample was calculated using the Lemeshow formula, resulting in a minimum of 100 respondents (Manaroinsong, 2013). A total of 149 respondents were ultimately gathered for this study. To address difficulties in reaching participants, we used non-probability sampling with the snowball technique, which allowed us to reach respondents through referrals (Naderifar et al., 2017). Snowball sampling leverages the networks of initial participants, who refer other potential respondents, making it especially valuable for studying niche or hard-to-reach populations, like migrant workers or individuals who may not engage in formal recruitment processes. This method enhances access and allows for a more targeted approach to gathering data from individuals with relevant experience or insights on the topic under study.

Data analysis was conducted using Structural Equation Modeling (SEM) with SmartPLS 3 software, facilitating constructing and validating a model with latent and manifest variables. To ensure measurement accuracy, validity and reliability tests were applied. The measurement model (Outer Model) is used to assess the relationship between indicators and their latent variables, ensuring that Convergent Validity (>0.7) is acceptable, along with Discriminant Validity, Average Variance Extracted (>0.5), and Composite Reliability (>0.7) (Hair et al., 2021).

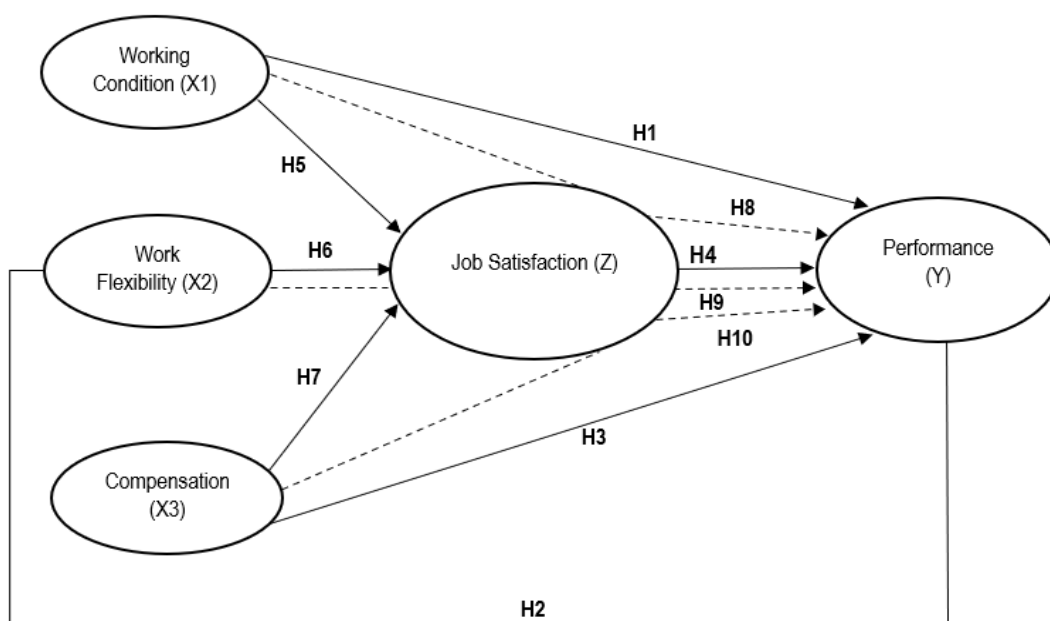


Figure 1. Conceptual Framework

Hypothesis Description:

H1: Working conditions have a positive effect on performance.

H2: Work flexibility has a positive effect on performance.

H3: Compensation harms performance.

H4: Job satisfaction has a positive effect on performance.

H5: Working conditions positively impact job satisfaction.

H6: Work flexibility harms job satisfaction.

Impact of Working Conditions, Flexibility, and Compensation on the Performance of Indonesian Migrant Workers in Australia: Mediating Role of Job Satisfaction

Lianto, Ramadania, Marumpe, Daud, and Hasanudin

H7: Compensation has a positive effect on job satisfaction.

H8: Working conditions negatively impact performance when mediated by job satisfaction.

H9: Work flexibility positively affects performance when mediated by job satisfaction.

H10: Compensation positively affects performance when mediated by job satisfaction.

RESULT AND DISCUSSION

Respondent Characteristics

This study assesses the impact of working conditions, work flexibility, and compensation on the performance of Indonesian migrant workers (TKI) in Australia, with job satisfaction as a mediating factor. Primary data was collected through a Google Form distributed via various social media platforms, resulting in 149 responses. The descriptive analysis of the respondents' profiles includes gender, age, education, work region, length of employment, and income, as outlined in Table 1.

Table 1. Participant Demographics

Respondent Profile	Characteristics	Frequency (n)	Percentage (%)
Gender	Male	89	59,7%
	Female	60	40,3%
Age	20-25 years old	79	53%
	26-30 years old	52	34,9%
	31-40 years old	14	9,40%
	>40 years old	4	2,70%
Last Education	Elementary equivalent	-	-
	SMP/MTS	33	22,1%
	SMA/SMK /MAN	78	52,3%
	Bachelor degree	38	25,5%
	Master (S2/S3)	-	-
Work Region	Sydney	57	38,3%
	Melbourne	39	26,2%
	Perth	22	14,8%
	Brisbane	23	15,4%
	Bourke	3	2,00%
	Adelaide	2	1,30%
	Darwin	3	2,00%
Length of Employment	<1 Year	42	28.2%
	1-3 Years	86	57.7%
	>3 Years	21	14.1%
Income	< AUD 1500	27	18,1%
	\$1500-\$4000 AUD	85	57%
	>\$4000 AUD	37	24,8%

The descriptive analysis of 149 respondents revealed a predominantly male sample, with 89 males (59,7%) and 60 females (40,3%). Age distribution showed that most respondents were in the 20-25 age range (53%), followed by 26-30 (34,9%), 31-40 (9,4%), and over 40 (2,7%). In terms of education, the majority had Senior High School/Vocational School equivalent education (52,3%), followed by Junior High School equivalent (22,1%) and Diploma/Bachelor's Degree (25,5%). No respondents reported having an Elementary School or Postgraduate education. Regarding years of service, most respondents had 1-3 years of experience (57,7%), followed by those with less than 1 year (28,2%) and over 3 years (14,1%). The work region distribution showed that most respondents were working in Sydney (38,3%), followed by Melbourne (26,2%), Brisbane (15,4%), Perth (14,8%), and other regions such as Bourke, Adeline, and Darwin, which collectively accounted for eight respondents (5,3%). Income distribution showed that the majority earned between \$1500-AUD 4000 (57%), with 24,8% earning more than AUD 4000 and 18,1% earning less than AUD 1500.

Convergent Validity Test

Table 2. Convergent Validity Test Result

Variable	Indicator	Outer Loading	AVE	Result
Working Conditions	WC1: My workspace is comfortable enough to support my work productivity.	0,769	0,52	Valid
	WC2: The facilities available in the workspace are adequate to support my daily work activities.	0,723		Valid
	WC3: Team collaboration in my work environment significantly helps improve individual and group performance.	0,685		Valid
	WC4: My colleagues always support me in completing joint tasks.	0,698		Valid
	WC5: The workload assigned to me is appropriate for my capabilities and the available time.	0,702		Valid
	WC6: The volume of work I receive is manageable in carrying out my daily tasks.	0,691		Valid
	WC7: My workplace has an adequate security system to protect my safety while working.	0,745		Valid
	WC8: Safety procedures in the company are well implemented, reducing the risk of accidents or injuries.	0,738		Valid
	WC9: I feel calm working because the company provides sufficient protection against security risks in the work environment.	0,727		Valid
	WC10: The facilities available at my workplace, such as tools and work equipment, are always available and in good condition.	0,723		Valid

Impact of Working Conditions, Flexibility, and Compensation on the Performance of Indonesian Migrant Workers in Australia: Mediating Role of Job Satisfaction

Lianto, Ramadania, Marumpe, Daud, and Hasanudin

	WC11: The company provides sufficient facilities to maintain the comfort and well-being of workers while at work.	0,724		Valid
Work Flexibility	FLX1: I can work from different locations according to my work needs.	0,714		Valid
	FLX2: The company provides flexibility in determining my most comfortable and efficient work location.	0,764		Valid
	FLX3: I can change my work location without affecting my performance or productivity.	0,709		Valid
	FLX4: The company allows me to take breaks without disrupting work productivity.	0,680	0,529	Valid
	FLX5: My breaks during working hours help balance performance and health.	0,736		Valid
	FLX6: I can adjust my working hours according to personal and work needs.	0,733		Valid
	FLX7: The company allows me to change my working hours without affecting my responsibilities and work results.	0,733		Valid
Compensation	COM1: The salary I receive is commensurate with my responsibilities and workload.	0,724		Valid
	COM2: I am satisfied with the salary amount provided by the company compared to industry standards in Australia.	0,756		Valid
	COM3: My wages are proportional to my working hours and effort.	0,740		Valid
	COM4: The company provides fair wages by labour regulations in Australia.	0,696		Valid
	COM5: The company offers incentives that motivate me to perform better.	0,740		Valid
	COM6: I receive incentives aligned with my target achievements and work results.	0,758	0,525	Valid
	COM7: The company provides sufficient benefits beyond the basic salary to support my living needs.	0,699		Valid
	COM8: I am satisfied with the various benefits offered by the company to enhance my well-being.	0,725		Valid
	COM9: The company provides adequate facilities to support my well-being and comfort as a migrant worker.	0,737		Valid
	COM10: The company's facilities, both at work and outside work, support a balance between personal life and work.	0,667		Valid
Performance	PF1: My work output meets the quality standards expected by the company.	0,705	0,554	Valid
	PF2: I always strive to ensure that my work is error-free and meets specifications.	0,713		Valid

Impact of Working Conditions, Flexibility, and Compensation on the Performance of Indonesian Migrant Workers in Australia: Mediating Role of Job Satisfaction

Lianto, Ramadania, Marumpe, Daud, and Hasanudin

	PF3: The amount of work I complete in a given period meets the established targets.	0,782		Valid
	PF4: I can complete the volume of work assigned without compromising quality.	0,744		Valid
	PF5: My punctuality in completing work receives positive evaluations from my superiors.	0,705		Valid
	PF6: I ensure that I comply with the work schedule and agreed-upon deadlines.	0,737		Valid
	PF7: I can effectively utilise resources to achieve the desired work outcomes.	0,782		Valid
	PF8: My work methods help me complete tasks efficiently and productively.	0,765		Valid
	PF9: I can complete tasks with little or no supervision from my superiors.	0,762		Valid
	PF10: I can overcome challenges and solve problems independently without excessive assistance.	0,732		Valid
	PF11: I am always ready to work overtime or additional hours to complete a project.	0,718		Valid
	PF12: I am committed to achieving the company's goals and actively participating in team activities and projects.	0,782		Valid
	JS1: I am satisfied with my work, which aligns with my skills and interests.	0,727		Valid
	JS2: My work provides opportunities to apply my skills and knowledge to the fullest.	0,754		Valid
	JS3: My payment is adequate and meets my expectations and living needs.	0,623		Valid
	JS4: My payment reflects a fair appreciation for my contributions and work results.	0,728		Valid
	JS5: I am satisfied with the promotional opportunities and transparency of the promotion process within the company.	0,729		Valid
Job Satisfaction	JS6: The company provides fair opportunities for career advancement and professional development.	0,706	0,51 3	Valid
	JS7: I am happy with the support and guidance provided by my manager in my daily work.	0,769		Valid
	JS8: My manager leads reasonably and motivates the team to achieve common goals.	0,719		Valid
	JS9: My colleagues are supportive and cooperate reasonably in completing tasks and projects.	0,705		Valid
	JS10: I feel satisfied with the relationships and collaboration established with coworkers.	0,692		Valid

Impact of Working Conditions, Flexibility, and Compensation on the Performance of Indonesian Migrant Workers in Australia: Mediating Role of Job Satisfaction

Lianto, Ramadania, Marumpe, Daud, and Hasanudin

The outer loading values ranging from 0,400 to 0,700 can still be used if they do not reduce the Average Variance Extracted (AVE) below 0,500. The AVE values for these variables are as follows: working conditions at 0,520 ($>0,5$), work flexibility at 0,529 ($>0,5$), compensation at 0,525 ($>0,5$), performance at 0,554 ($>0,5$), and job satisfaction at 0,513 ($>0,5$). According to Table 2, all indicators exhibit outer loading values greater than 0,400 and AVE values exceeding 0,500. Thus, we conclude that the convergent validity test has been successfully met. As a result, all indicators are valid for assessing their respective constructs (Hair et al., 2021).

Reliability Test

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Working Conditions	0,908	0,922
Work Flexibility	0,853	0,887
Compensation	0,900	0,917
Performance	0,927	0,937
Job Satisfaction	0,894	0,913

Reliability testing was performed to evaluate the accuracy and consistency of the responses. Ensuring the instrument's reliability is essential, as it confirms that each variable's measurements are accurate and consistent. The reliability test aims to evaluate the reliability of the indicators used to quantify a specific construct or latent variable. A questionnaire is considered reliable if both Cronbach's Alpha and Composite Reliability values are above 0,70 (Hair et al., 2021). The result is summarised in Table 3, revealing that all variables achieved a Cronbach's Alpha more remarkable than 0,70 and a Composite Reliability above 0,70. Consequently, all constructs satisfy the defined reliability criteria.

R-Square Test

Table 4. R-Square Test Result

Variable	R Square	Adjusted R Square
Job Satisfaction	0.199	0.182
Performance	0.482	0.467

R-Square (R^2), the coefficient of determination, shows the degree to which the variance in endogenous variables can be elucidated by exogenous variables (Yamin, 2022). R^2 values can be classified as substantial ($R^2 > 0,75$), moderate ($R^2 > 0,50$), or weak ($R^2 > 0,25$) (Hair et al., 2021). According to table 4 above, the structural model test reveals that the Job Satisfaction variable has an R^2 value of 0,199, corresponding to 19,9%. In contrast, the Performance variable has an R^2 value of 0,482, or 48,2%. These results indicate that job satisfaction is weakly influenced by the exogenous variables of working conditions, work flexibility, and compensation, as shown by the R^2 value of 0,199 (19,9%). This conveys that 80,1% of the variance in job satisfaction is attributed

to other factors not considered in the model. Similarly, the exogenous variables also weakly explain the employee performance variable, with an R^2 value of 0,482 (48,2%), indicating that 51,8% of the variance in employee performance is due to factors outside the model.

Hypothesis Testing

Table 5. Hypothesis Testing Result

Hypothesis	Path Coefficient	Original Sample	T-statistic	P-values	Information
H1	Working Conditions -> Performance	0.223	2.469	0.014	Supported
H2	Work Flexibility -> Performance	-0.051	0.529	0.597	Not Supported
H3	Compensation -> Performance	0.014	0.155	0.877	Not Supported
H4	Job Satisfaction -> Performance	0.613	9.221	0.000	Supported
H5	Working Conditions -> Job Satisfaction	0.048	0.287	0.774	Not Supported
H6	Work Flexibility -> Job Satisfaction	0.281	3.097	0.002	Supported
H7	Compensation -> Job Satisfaction	0.201	2.064	0.039	Supported
H8	Working Conditions -> Job Satisfaction -> Performance	0.030	0.285	0.776	Not Supported
H9	Work Flexibility -> Job Satisfaction -> Performance	0.172	3.007	0.003	Supported
H10	Compensation -> Job Satisfaction -> Performance	0.123	2.046	0.041	Supported

Working Conditions on Performance

The analysis indicates a positive impact of working conditions on performance, with a path coefficient of 0.223, a P-value of 0.014, and a T-statistic of 2.469, supporting Hypothesis 1. This finding aligns with Hadijah et al. (2024), who assert that improved working conditions enhance employee performance, particularly among overseas employees. Kesumawatie et al. (2021) further support this by showing that a positive work environment can significantly improve employee performance, with self-efficacy mediating the relationship between internal control and the work environment. In the context of Indonesian migrant workers, favourable working conditions play a critical role in boosting performance by fostering a conducive work environment that supports productivity and well-being.

Work Flexibility on Performance

The results indicate a significant negative relationship between work flexibility and performance, with a path coefficient of -0.051, P-value of 0.597, and T-statistic of 0.529, thus rejecting

Hypothesis 2. This aligns with Setyawati et al. (2018), who found that flexible working hours do not necessarily contribute positively to employee satisfaction or performance. While flexible work arrangements can offer benefits in some settings, this finding suggests that for Indonesian migrant workers, work flexibility may introduce complexities that hinder rather than improve performance, possibly due to the challenges of managing work-life balance in a foreign context.

Compensation on Performance

Compensation shows a positive, though not statistically significant, effect on performance, as indicated by a path coefficient of 0.014, P-value of 0.877, and T-statistic of 0.155, which does not support Hypothesis 3. This finding, however, aligns with Rahmadani et al. (2023), who propose that motivating employees through compensation is critical in organisational settings. Daud (2020) also emphasises that compensation can increase employee engagement and motivation, thereby improving performance. Although the hypothesis is not supported, the study adds to the literature by exploring how compensation affects performance in the context of Indonesian migrant workers, indicating that other factors may moderate its impact on this demographic.

Job Satisfaction on Performance

The results show a strong positive relationship between job satisfaction and performance, with a path coefficient of 0.613, P-value of 0.000, and T-statistic of 9.221, supporting Hypothesis 4. This is consistent with Jaya et al. (2023) and Sainju et al. (2021), who emphasise the importance of job satisfaction in improving employee performance and reducing turnover. Hamidi (2023) also highlights how constructive performance appraisals contribute to job satisfaction, leading to better organisational behaviour. This study reinforces the view that job satisfaction is critical in improving the performance of migrant workers, as it increases motivation and engagement, helping employees feel valued in their roles. This supports the hypothesis that job satisfaction mediates the impact of performance appraisal on employee outcomes.

Working Conditions on Job Satisfaction

The analysis shows that working conditions positively influence job satisfaction, with a path coefficient of 0.048, P-value of 0.774, and T-statistic of 0.287. Although Hypothesis 5 is not supported statistically, Mardikaningsih (2018) suggests that conducive working conditions are essential in determining job satisfaction. For Indonesian migrant workers, favourable working conditions provide stability and well-being, even if this does not directly translate into job satisfaction for all respondents.

Work Flexibility on Job Satisfaction

The findings indicate a significant positive relationship between work flexibility and job satisfaction, with a path coefficient of 0.281, P-value of 0.002, and T-statistic of 3.097, supporting Hypothesis 6. This result aligns with Ardiansyah (2020), who found that flexibility in work scheduling benefits employee productivity and satisfaction. Flexible work arrangements allow

migrant workers to balance professional and personal responsibilities more effectively, positively contributing to job satisfaction.

Compensation on Job Satisfaction

The analysis confirms that compensation positively influences job satisfaction, with a path coefficient of 0.201, P-value of 0.039, and T-statistic of 2.064, supporting Hypothesis 7. This supports the findings of Hermingsih & Purwanti (2020), who concluded that higher salaries are linked to increased job satisfaction. For Indonesian migrant workers, adequate compensation provides a sense of reward and security, enhancing their overall job satisfaction and commitment.

Mediating Role of Job Satisfaction on Working Conditions and Performance

Job satisfaction partially mediates the relationship between working conditions and performance, with a path coefficient of 0.030, P-value of 0.776, and T-statistic of 0.285, although Hypothesis 8 is not statistically supported. This aligns with Hendri (2019), who said that job satisfaction positively impacts employee performance. Satisfied employees perceive their work as valuable, influencing their integrity and commitment, ultimately leading to better performance. Khan (2022) also states that favourable working conditions contribute to job satisfaction, which can subsequently improve performance. While not statistically significant in this study, it highlights the potential of supportive working environments to indirectly boost performance through job satisfaction, even though the mediating effect may vary across different work contexts. (Putra et al., 2023) research also shows that job satisfaction mediates the relationship between the work environment and employee performance. This indicates that job satisfaction is key to enhancing performance within supportive work settings.

Mediating Role of Job Satisfaction on Work Flexibility and Performance

The results show a significant positive mediating effect of job satisfaction on the relationship between work flexibility and performance, with a path coefficient of 0.172, P-value of 0.003, and T-statistic of 3.007, supporting Hypothesis 9. This supports the findings of Marumpe et al. (2023), who suggest that flexibility enhances performance by enabling a work-life balance. Pradita et al. (2020) also emphasise that flexibility, especially in multinational settings, is essential for employee well-being. In this study, job satisfaction acts as an important mediator, highlighting how flexibility tailored to the needs of Indonesian migrant workers can positively influence performance. This also supports Silminawati & Rachmawati's (2022) research that conducted job satisfaction provides complementary or partial mediation, suggesting that implementing flexible work arrangements within an organisation positively influences employee job satisfaction. This increase in job satisfaction, in turn, supports a better work-life balance for employees, ultimately enhancing their performance.

Mediating Role of Job Satisfaction on Compensation and Performance

The study finds a significant positive mediating effect of job satisfaction on the relationship between compensation and performance, with a path coefficient of 0.123, P-value of 0.041, and T-statistic of 2.046, supporting Hypothesis 10. Hermingsih & Purwanti (2020) and Lim et al. (2023) highlight job satisfaction's critical role in linking compensation with performance outcomes. This finding underscores the importance of compensation systems that acknowledge and reward the contributions of Indonesian migrant workers, enhancing their satisfaction and encouraging higher performance. Furthermore, Wellem & Djawoto (2022) found that job satisfaction partially mediates the relationship between compensation and employee performance, supporting the hypothesis that compensation indirectly influences performance through job satisfaction. Idris et al. (2020) also indicate that while compensation is positively associated with job satisfaction, the relationship lacks statistical significance, suggesting that compensation alone does not meaningfully enhance job satisfaction or employee performance. Employees often perceive compensation as a fundamental organisational obligation rather than a motivator, implying that other factors such as discipline, work culture, and leadership may significantly improve performance. Additionally, job satisfaction as a mediating variable between compensation and performance was found to have a limited impact, highlighting that compensation alone may not substantially drive job satisfaction or performance without other influential factors.

CONCLUSION

The findings of this study demonstrate that working conditions, work flexibility, and compensation have varying effects on the performance of Indonesian migrant workers (TKI) in Australia, both directly and through the mediating role of job satisfaction. Working conditions significantly enhance performance, highlighting the importance of a supportive work environment for TKI. In contrast, work flexibility negatively impacted performance, suggesting that flexible hours may not always benefit workers in this context, likely due to the nature of their jobs or challenges in adapting to flexible arrangements. Compensation was also found to positively affect performance, underscoring the need for fair and motivating remuneration systems.

For Indonesian government policymakers, these results underscore the need to develop programs that support migrant workers' well-being and advocate for working conditions conducive to their success abroad. Strengthening support services, including adaptability and skill development training, can further enhance TKI productivity and satisfaction. For Australian employers, the findings highlight the importance of creating structured work environments with clear expectations. Employers should consider implementing compensation schemes that provide financial incentives and foster job satisfaction. Developing policies that balance work flexibility with stability can better support the performance of migrant workers who may require additional structure in their work arrangements.

This study faced certain limitations. The sample size was relatively small, and the analysis focused on only three variables, which may limit the generalizability of the findings. Future research could expand the scope to include additional factors such as cultural adaptation, job security, and career growth opportunities. Increasing the sample size and including respondents from diverse occupational backgrounds would also enhance the reliability and applicability of the results.

In conclusion, this study underscores the crucial role of job satisfaction in improving migrant worker performance. The insights provided here are valuable for both Indonesian and Australian stakeholders in enhancing labour quality and working conditions for Indonesian migrant workers, ultimately benefiting both the workforce and the organisations they serve.

ACKNOWLEDGEMENTS

The author sincerely thanks the MBKM Research Program of the Management Study Program, Faculty of Economics and Business, Universitas Tanjungpura Pontianak, for its essential support in this research. This assistance has been crucial to the smooth progress and successful study completion. Special thanks are also to the faculty members and staff, whose guidance and support have contributed significantly to this work. The author hopes these findings will provide valuable insights into the management field and offer meaningful contributions to the nation's development.

REFERENCE

- Ardiansyah, B. N. (2020). Pengaruh Fleksibilitas Jam Kerja dan Integritas Terhadap Kepuasan Kerja dan Dampaknya Terhadap Kinerja Karyawan di PT Bank Rakyat Indonesia KC Gatot Subroto Denpasar. *UNIVERSITAS AIRLANGGA*.
- Campbell, M. (2010). Perspectives on working conditions of temporary migrant workers in Australia. *People and Place*, 18(2).
- Candana, D. M., Putra, R. B., & Wijaya, R. A. (2020). PENGARUH MOTIVASI DAN LINGKUNGAN KERJA TERHADAP KINERJA KARYAWAN DENGAN DISIPLIN KERJA SEBAGAI VARIABEL INTERVENING PADA PT BATANG HARI BARISAN. *Jurnal Ekonomi Manajemen Sistem Informasi*, 2(1). <https://doi.org/10.31933/jemsi.v2i1.329>
- Daud, I. (2020). The Influence of Organizational Culture and Compensation on Employee Performance with Work Motivation as a Mediating Variable. *GATR Journal of Management and Marketing Review*, 5(2). [https://doi.org/10.35609/jmmr.2020.5.2\(5\)](https://doi.org/10.35609/jmmr.2020.5.2(5))
- Dixon, J., Banwell, C., Strazdins, L., Corr, L., & Burgess, J. (2019). Flexible employment policies, temporal control and health-promoting practices: A qualitative study in two Australian worksites. *PLoS ONE*, 14(12). <https://doi.org/10.1371/journal.pone.0224542>
- Hadijah, H., Suryana, T., Porwanti, T., & Ardiansyah, A. (2024). Analisis Pengaruh Kondisi Kerja Terhadap Kesejahteraan dan Kinerja Awak Kapal Niaga: Studi Perbandingan Pelayaran Dalam dan Luar Negeri. *Jurnal Penelitian Transportasi Laut*, 25(1). <https://doi.org/10.25104/transla.v25i1.2292>
- Hair, J. F., Jr., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2021). A primer on partial least squares structural equations modeling (PLS-SEM). Sage Publications. *Journal of Tourism Research*, 6(2).

- Hamidi, A. B. (2023). The Impacts of Performance Appraisal on Employee's Job Satisfaction and Organizational Behavior. *Ilomata International Journal of Social Science*, 4(3). <https://doi.org/10.52728/ijss.v4i3.876>
- Hendri, M. I. (2019). The mediation effect of job satisfaction and organizational commitment on the organizational learning effect of the employee performance. *International Journal of Productivity and Performance Management*, 68(7). <https://doi.org/10.1108/IJPPM-05-2018-0174>
- Hermingsih, A., & Purwanti, D. (2020). PENGARUH KOMPENSASI DAN BEBAN KERJA TERHADAP KEPUASAN KERJA DENGAN MOTIVASI KERJA SEBAGAI VARIABEL PEMODERASI. *JURNAL DIMENSI*, 9(3). <https://doi.org/10.33373/dms.v9i3.2734>
- Hikmah Perkasa, D., Mariah, & Ajis, A. (2019). Dampak Pemberian Kompensasi, Kepuasan Kerja Motivasi Dan Pengaruhnya Terhadap Kinerja Karyawan (Studi Pada Karyawan Pt Nusantara Infrastructure Tbk Jakarta). *Jurnal Ekonomi Dan Pariwisata*, 14(2).
- Ida, I. (2023). PENGARUH PELATIHAN DAN KOMPENSASI TERHADAP KINERJA KARYAWAN MELALUI MOTIVASI KERJA SEBAGAI VARIABEL INTERVENING. *Jurnal Locus Penelitian Dan Pengabdian*, 2(8). <https://doi.org/10.58344/locus.v2i8.1562>
- Idris, Adi, K. R., Soetjipto, B. E., & Supriyanto, A. S. (2020). The mediating role of job satisfaction on compensation, work environment, and employee performance: Evidence from Indonesia. *Entrepreneurship and Sustainability Issues*, 8(2). [https://doi.org/10.9770/jesi.2020.8.2\(44\)](https://doi.org/10.9770/jesi.2020.8.2(44))
- Jaya, A., Rosnani, T., Rosnani, R., Fahrana, Y., & Marumpe, D. P. (2023). Turnover Intention: is it Influenced by Quality of Work Life and Job Satisfaction as a Mediator? *South Asian Research Journal of Business and Management*, 5(06). <https://doi.org/10.36346/sarjbm.2023.v05i06.002>
- Kesumawatie, M. I., Sumaryono, R., & Herdijanto, T. (2021). Impact of Locus Control and The Work Environment on Employee Performance with Self-Efficiency as a Mediation in Paper Companies in East Java. *Ilomata International Journal of Management*, 2(2). <https://doi.org/10.52728/ijjm.v2i2.219>
- Khan, R. B. F. (2022). Mediation Role of Work Flexibility on Linking Work Family Conflict and Job Satisfaction. *Jurnal Bisnis Dan Manajemen*, 9(1), 87–93. <https://doi.org/10.26905/jbm.v9i1.7627>
- Lim, R., Indah, Y., & Dini, F. (2023). *Jurnal Bisnis dan Manajemen The Effect of Compensation and Work Environment Mediated by Job Satisfaction on Employee Performance in Automotive Companies in Batam*. <http://jurnal.unmer.ac.id/index.php/jbm>
- Manaroinsong, J. (2013). Metode Penelitian: Terapan Bidang Ekonomi dan Bisnis. In *Metode Penelitian*.
- Mardikaningsih, R. (2018). VARIABEL KEPEMIMPINAN DAN LINGKUNGAN KERJA SERTA PENGARUHNYA TERHADAP KINERJA KARYAWAN. *Journal of Economics, Business & Accountancy Ventura*, 21(10). <https://doi.org/10.14414/jebav.v21i10.1137>
- Marumpe, D. P., Rosnani, T., Heriyadi, Fahrana, Y., & Jaya, A. (2023). Are Perceived Organizational Support and Flexible Working Arrangement Able to Influence Employee

Impact of Working Conditions, Flexibility, and Compensation on the Performance of Indonesian Migrant Workers in Australia: Mediating Role of Job Satisfaction

Lianto, Ramadania, Marumpe, Daud, and Hasanudin

- Engagement among Millennials? *Asian Journal of Economics, Business and Accounting*, 23(11).
<https://doi.org/10.9734/ajeba/2023/v23i11976>
- Naderifar, M., Goli, H., & Ghaljaie, F. (2017). Snowball Sampling: A Purposeful Method of Sampling in Qualitative Research. *Strides in Development of Medical Education*, 14(3).
<https://doi.org/10.5812/sdme.67670>
- Pradita, N. Y., Franksiska, R., Kristen, U., & Wacana, S. (2020). Jurnal Bisnis dan Manajemen WORK-LIFE BALANCE: A PERSPECTIVE OF MULTINATIONAL CORPORATION (MNCs) EMPLOYEE. In *Journal of Occupational Health Psychology* (Vol. 14, Issue 4).
<http://jurnal.unmer.ac.id/index.php/jbm>
- Pramudya Linggar Mawarni, & Tiarapuspa. (2023). FAKTOR FAKTOR YANG MEMPENGARUHI KEPUASAN KERJA KARYAWAN. *Jurnal Ekonomi Trisakti*, 3(2).
<https://doi.org/10.25105/jet.v3i2.15685>
- Putra, R. B., Pradhanawati, A., & Listyorini, S. (2023). Pengaruh Kompensasi dan Lingkungan Kerja terhadap Kinerja Karyawan dengan Kepuasan Kerja Sebagai Variabel Intervening CV Jawa Grafika Group Semarang (Studi pada CV Jawa Grafika Group Semarang). *Jurnal Ilmu Administrasi Bisnis*, 12(1). <https://doi.org/10.14710/jiab.2023.36807>
- Rahmadani, Labbase, I., Nasir, M., & Kamidin, M. (2023). Pengaruh Disiplin Kerja dan Kompensasi Terhadap Kinerja Karyawan. *Center of Economic Students Journal*, 6(2).
<https://doi.org/10.56750/csej.v6i2.577>
- Sainju, B., Hartwell, C., & Edwards, J. (2021). Job satisfaction and employee turnover determinants in Fortune 50 companies: Insights from employee reviews from Indeed.com. *Decision Support Systems*, 148. <https://doi.org/10.1016/j.dss.2021.113582>
- Setyawati, N. W., Aryani, N. A., & Ningrum, E. P. (2018). STRES KERJA DAN DISIPLIN KERJA TERHADAP KINERJA KARYAWAN. *Jurnal Riset Manajemen Dan Bisnis (JRMB) Fakultas Ekonomi UNLAT*, 3(3). <https://doi.org/10.36226/jrmb.v3i3.158>
- Silminawati, A., & Rachmawati, R. (2022). The influence of flexible working arrangements on work life balance, and employee performance with job satisfaction as mediator. *Literatus*, 4(1).
- Silvi Asna Prestianawati, Muhammad Fawwaz, & Axel Leander Julivius Teguh. (2023). Analisis Determinan Tenaga Kerja yang Bekerja pada GIG Economy. *International Journal For Multidisciplinary Research*, 5(4). <https://doi.org/10.36948/ijfmr.2023.v05i04.4612>
- Wellem, I., & Djawoto. (2022). the Effect of Compensation on Employee Performance Through Job Satisfaction As Intervening Variable. *Proceeding 2nd International Conference on Business & Social Sciences (ICOBUSS) Surabaya*, 4(1).
- Yamin, S. (2022). Olah Data Statistik: SmartPLS 3, SmartPLS4, Amos & Stata. In *PT Dewangga Energi Internasional*.