

ABSTRACT

Education plays a fundamental role in improving the quality of human resources, where teachers serve as a key factor in ensuring the success of the teaching and learning process. In Indramayu Regency, teachers in private junior high schools face numerous challenges, such as receiving salaries below the regional minimum wage and enduring high workloads. These issues may reduce motivation and negatively affect teacher performance. This situation highlights the need for a deeper investigation into the relationship between motivation, compensation, and teacher performance.

This study aims to determine the extent of the influence of motivation and compensation on teacher performance, as well as to analyze whether motivation acts as a mediating variable between compensation and performance. The research focuses on private junior high school teachers operating in Indramayu Regency, taking into account the socio-economic realities that they encounter in their daily work environment.

This research uses a quantitative approach, with data collected through questionnaires. The total number of respondents in this study was 105 teachers, selected using simple random sampling. The data collected was analyzed using Structural Equation Modeling with Partial Least Squares (SEM-PLS) to determine the relationship between variables and to measure the strength of both direct and indirect effects.

The results of the study show that compensation has a positive and significant influence on both motivation and teacher performance. Furthermore, motivation also has a significant impact on improving teacher performance. Motivation serves as a partial mediator in the relationship between compensation and performance, which means that compensation not only has a direct effect but also influences performance through increased work motivation.

Based on these findings, this research is expected to contribute to schools and policymakers in designing a fair and motivational compensation system. Moreover, it is important for stakeholders to pay attention to teacher welfare to maintain high levels of motivation that can positively affect educational quality. Suggestions for future research include adding other potential variables that may influence teacher performance and expanding the scope of the study to obtain more comprehensive results.

Keywords: *Compensation, Work Motivation, Teacher Performance, Education, Indramayu*