

What Are The Implications of Job Satisfaction on Employee Performance?**Okta Eka Putra**

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Abstrak

Penelitian ini dimaksudkan untuk mengetahui, mengkaji dan menganalisis pengaruh kompetensi dan kompensasi pegawai terhadap kepuasan kerja serta implikasinya pada kinerja pegawai divisi produksi di PT. Tectona Cipta Niaga, Kabupaten Bandung. Penelitian ini dilakukan pada seluruh pegawai divisi produksi yang berjumlah 80 pegawai, dengan menggunakan *sampling* jenuh. Penelitian ini menggunakan metode survei dengan pendekatan kuantitatif, tipe penelitian berupa *descriptive research* dan *verificative explanation research*. Berdasarkan temuan dan pembahasan penelitian, diketahui bahwa tanggapan responden terkait dengan kompetensi, kepuasan kerja, dan kinerja pegawai termasuk dalam kategori kurang baik, hanya variabel kompensasi yang termasuk dalam kategori baik. Sedangkan secara parsial, diketahui bahwa terdapat pengaruh kompetensi terhadap kepuasan kerja sebesar 44,04%, pengaruh kompensasi terhadap kepuasan kerja sebesar 15,34%, pengaruh kepuasan kerja terhadap kinerja pegawai sebesar 66,75%, dan secara simultan kompetensi dan kompensasi berpengaruh terhadap kepuasan kerja sebesar 59,38%. Sehingga, implikasi kepuasan kerja dalam penelitian ini terbukti dapat menjadi variabel *intervening* terhadap kinerja karyawan.

Kata Kunci: Kompetensi, kompensasi, kepuasan kerja, kinerja pegawai.

Abstract

This research is intended to identify, examine, and analyze the effect of competence and employee compensation on job satisfaction and the implications for the performance of production division employees at PT. Tectona Cipta Niaga, Bandung Regency. This research was conducted on all employees of the production division, totaling 80 employees, using saturated sampling. This research uses a survey method with a quantitative approach. The types of research are descriptive research and verificative explanation research. Based on the research findings and discussion, it is known that respondents' responses related to competence, job satisfaction, and employee performance are included in the unfavorable category, while only compensation variables are included in the good category. While partially known, there is an influence of competence on job satisfaction of 44.04%, the effect of compensation on job satisfaction of 15.34%, the effect of job satisfaction on employee performance of 66.75%, and simultaneously, competence and compensation affect the satisfaction of work of 59.38%. Thus, the implications of job satisfaction in this study are proven to be intervening variables on employee performance.

Keywords: Competence, compensation, job satisfaction, employee.

1 INTRODUCTION

In Indonesia, to realize a just and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia is carried out through the development of a national economy based on economic democracy, according to the mandate of the Decree of the People's Consultative Assembly of the Republic of Indonesia Number XVI/MPR-RI/1998 as an integral part people's economy that has a position, role, and potential strategy to create a more balanced, developed, and just national economic structure. West Java Province is currently dominated by Small Micro Enterprises (UMK) reaching more than 4.5 million (98.84%) of the total non-agricultural businesses.

Bandung Regency is one of the areas in West Java Province and has a role as a buffer zone for the provincial capital, which dominates more than 55.00% of the economy. Apart from tourism, Bandung Regency excels with industrial processing centers, namely convection by turning cloth into clothes, spread over 15 (fifteen) sub-districts. PT. Tectona Cipta Niaga is one of the business actors in the convection, embroidery and printing industries which was pioneered in 1997 at Bandung Regency with regional distribution to all cities and regions in Indonesia. Although currently the Covid-19 Pandemic is still not over, demand for orders has not decreased. The figure of the number of orders at PT. Tectona Cipta Niaga for the 2015 – 2020 period, as follows:

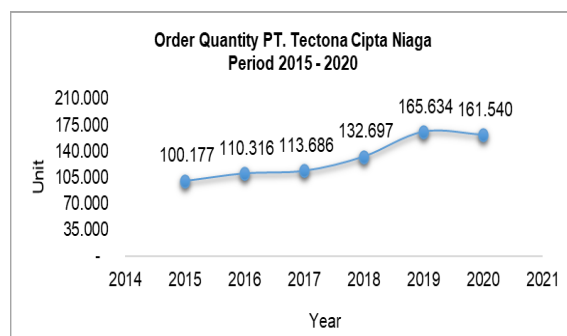


Figure 1. Order Quantity PT. Tectona Cipta Niaga Period 2015 – 2020

Based on figure 1 it is known that the number of orders has increased significantly during the 2015 – 2020 period with the highest number of orders occurring in 2019 consisting of shirts, pants, t-shirts and others. However, the increase in the number of orders did not directly improve the handling process, management found a decrease in target achievement, especially in terms of fulfilling orders within the target time, this condition is certainly related to the human resources owned by the company. The figure of the realization of the achievement of the target for order processing at PT. Tectona Cipta Niaga in the 2015 – 2020 period, as follows:

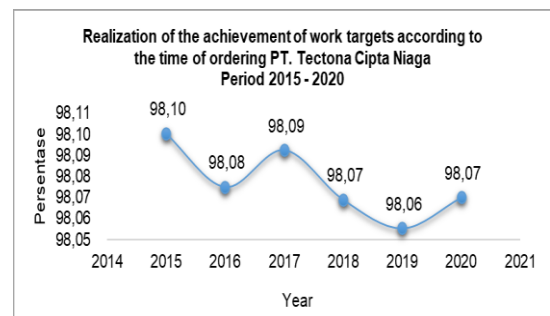


Figure 2. Realization of Target Pesenan PT. Tectona Cipta Niaga period 2015 – 2020

Based on figure 2, it is known that the realization of achieving the target for ordering work is quite good, but it is still not optimal. The company is expected to be able to provide quality employees, able to answer the challenges faced in realizing organizational goals. According to Afandi (2018: 83) performance is the result of work that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals legally, does not violate the law and does not conflict with morals and ethics.

Performance appraisal must be owned by the company in an effort to evaluate work on employees (Wassem *et al.*, 2019), whereas Than, Pham, and Pham (2016) state that performance appraisal is an activity that absolutely must be carried out to determine

the achievements of each employee. Therefore, the organization must be able to place employees properly in accordance with the phrase "the right man in the right place, the right man in the right job". Every organization certainly has different performance standards, adjusted to the needs and goals to be achieved. The following is performance appraisal data at PT. Tectona Cipta Niaga in the 2015 – 2020 period, as follows.

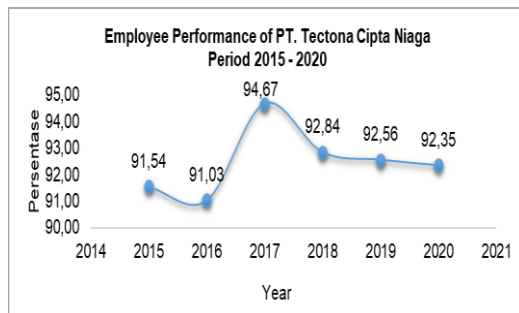


Figure 3. Employee Performance of PT. Tectona Cipta Niaga period 2015 – 2020

Performance appraisal in figure 3 is not in accordance with the expectations of companies that want employees to have consistent performance. Efforts to improve employee performance must be planned strategically by creating good and professional management. The decrease in performance is caused by there are still employees who have low work quality, work targets are not in accordance with the agreement, there are still many employees waiting for orders in carrying out work, recruitment does not always go through predetermined procedures, training is still not optimal, work tends to be monotonous, payment of salaries/wages is sometimes delayed, leaders feel less assertive towards employees who are not disciplined, it is difficult to get promotions, and communication is felt to be not very good.

Every company will always try to improve employee performance by meeting needs, giving attention, and placing employees as company assets. Such conditions can be realized one of them through the approach of job satisfaction.

According to Robbins (2017: 170) job satisfaction is a general attitude towards work as the difference between the number of rewards received by workers and the number of rewards that are believed to be received.

Employees who get job satisfaction will do a good job, and tend to choose to stay in the company. According to Mangkunegara (2017: 48) competence is something that is formed by the knowledge possessed by an employee to carry out his duties and responsibilities, skills an effort to carry out the duties and responsibilities given by the company and attitude behavior. someone in carrying out their duties and responsibilities in accordance with company regulations.

Research conducted by Than, Pham, and Pham (2016); Aini, Jaelani, and Khoirul (2020) stated that the variable job satisfaction has a significant influence on employee performance, in contrast to Ahmudi *et al.* (2018) who in their research found job satisfaction did not affect employee performance. Competence is the most difficult thing to imitate, because it is specific to each individual. Employees must have satisfaction with their jobs through the effective utilization of skills (Beloor *et al.*, 2020). Increasing the competence of employees is needed to support work ability as well as determine the level of performance.

Research conducted by Tung, Anh, and Anh (2019); Rahman, Siddiqi, and Basak (2017) found that competence has a positive and significant effect on job satisfaction, in contrast to Adam and Kamase (2019) in a study which found that competence had no significant effect on job satisfaction. In addition, to create employees who have optimal performance, one aspect that is important to consider is the compensation system. Compensation is a fair and proper award or reward directly or indirectly, financially or non-financially to employees, in return or contribution/service to achieving company goals (Marwansyah, 2016: 269).

In addition, Sari and Putra (2020) state that the application of compensation is given as remuneration or a company reward for the sacrifice of time, effort and thought or loyalty

that has been given by employees to the company. If compensation is not administered properly, then employee morale will decrease and affect work results. Research conducted by Abadi and Renwarin (2017); Wulandari, Murtini, and Rahmanto (2018); Saman (2020) research results show that compensation has a significant effect on job satisfaction, in contrast to Harahap and Khair (2019) which states that compensation has no significant effect on job satisfaction.

The purpose of this research, firstly to find out and analyze the conditions of competence, compensation, job satisfaction, and performance of production division employees at PT. Tectona Cipta Niaga. Second, to find out and analyze the influence of competence and compensation on job satisfaction partially and simultaneously. Third, to find out and analyze the influence of job satisfaction on the employee performance.

2 LITERATURE REVIEW

In general, management activities within the organization are directed to achieve organizational goals effectively and efficiently. There are several definitions related to management according to experts. Each expert provides a different view of the limits of management, depending on the point of view, belief and comprehensiveness. Referring to the notion of management conveyed by Firmansyah and Mahardika (2018:4); Hasibuan (2017:2); Sinambela (2018: 5), it can be concluded that management is the science and art of managing the process of planning, organizing, and controlling the work of members of the organization by using organizational resources effectively and efficiently to achieve organizational goals in accordance with the plans set together in the company.

While referring to Mangkunegara (2017:2); Desseler (2015: 3), it can be concluded that human resource management is the science and art of managing the relationship of management functions to the process of procurement, development, remuneration, integration, maintenance and

separation of labor so that it effectively and efficiently helps the realization of company goals, employees, and society fairly.

Organization is an association or union of individuals who work together to develop the same vision and mission or the same goal. An organization is said to be good if its existence contributes to society or the surrounding environment. Referring to the notion of organizational behavior put forward by Triatna (2015:2); Colquitt in Yusuf (2017:3); Wijaya (2017: 1), it can be concluded that organizational behavior is a study used to study, understand, explain, and improve the attitudes and behavior of individuals and groups within an organization, and their impact on individual, group or organizational performance.

In general, competence is the ability or skills possessed by someone in carrying out a job. Competence is also a reflection of a person's personality that can be estimated and shown in tasks and jobs. UU No. 13 of 2003 concerning Manpower states that work competence is the work ability of each individual which includes aspects of knowledge, skills and work attitudes in accordance with established standards.

Several experts expressed opinions about competence such as Amstrong in Sedarmayanti (2017: 235); Wibowo (2017:272); Mangkunegara (2017: 48) which can then be understood that competence is an individual characteristic formed by knowledge, skills, and attitude of a person in carrying out duties and responsibilities brought to a job that underlies individual performance. Dimensions are used to measure competency according to Mangkunegara (2017:48), namely knowledge, skills, and attitude.

Compensation is an important factor and is of concern to many organizations in retaining and attracting quality human resources. A good compensation system will greatly affect work morale and productivity, and needs to be supported by rational judgments that can create justice according to job demands. Several experts have expressed opinions about compensation such as

Marwansyah (2016: 269); Hasibuan (2017:119); Handoko (2017: 242) which can then be understood that compensation is all income earned, either in the form of direct or indirect, financial or non-financial income that is fair and proper for employees to receive, as a reward for services in achieving company goals and as motivation to work next time. The dimensions for measuring compensation according to Handoko (2017: 256), are direct compensation and indirect compensation.

Job satisfaction in general is an individual thing because each individual will have a different level of satisfaction according to the values that apply to each individual. Job satisfaction is a positive feeling about work resulting from an evaluation of its characteristics. Several experts have expressed opinions about job satisfaction such as Robbins (2017: 170); Busro (2020: 112) which can then be understood that job satisfaction is the feelings or attitudes of employees towards work, where these feelings or attitudes arise due to similarities or differences in the acceptance of work results that are expected by employees based on an assessment of the work situation. The dimensions used to measure job satisfaction of an employee according to Robbins (2017: 121), namely work itself, salary/wages, promotion, supervision, and co-workers.

Performance is an important factor to measure the work results of employees so that the achievement of company goals can also be measured. Performance in general is the result or success rate of a person as a whole during a certain period in carrying out tasks compared to various possibilities, such as work standards, targets or goals or criteria that have been determined in advance and have been mutually agreed upon. Several experts have expressed opinions about performance such as Mangkunegara (2017:67); Afandi (2018:83); Sinambela (2018: 481) which can then be understood that performance is the result of work in quality and quantity achieved by a person or group of people in a company in an effort to achieve organizational goals legally, does not violate the law and does not conflict

with morals and ethics, in accordance with authority and responsibility for the tasks assigned to him. The dimensions for measuring employee performance according to Sinambela (2018: 527), namely quality of work, quantity of work, responsibility, cooperation, and initiative.

Based on the literature review, previous research and the description of the framework, a research paradigm can be formulated regarding the interrelationships between competency, compensation, job satisfaction, and employee performance variables. This is done so that research has a foundation and is research conducted to find answers to the hypotheses made by researchers. The following is a picture of the paradigm used in this study.

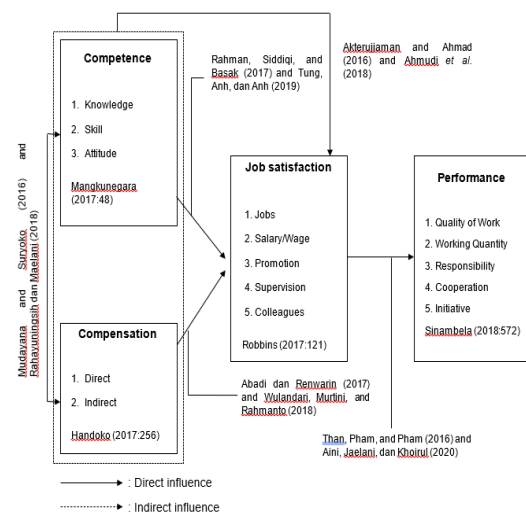


Figure 4. Research Paradigm

3 RESEARCH METHODS

This study uses a descriptive method to determine the conditions of competence, compensation, job satisfaction, and performance of production division employees at PT. Tectona Cipta Niaga. In addition, the author also uses a verification method, which is a study conducted on a certain population or sample with the aim of testing the established hypothesis (Sugiyono, 2018: 8). The verification method in this study is used to test the truth of the theory that has been put forward and answer the problem

formulation, namely to find out how much influence employee competence and compensation has on job satisfaction and the implications for employee performance in the production division at PT. Tectona Cipta Niaga.

This research consists of independent variables, dependent variables, and intervening variables. The population in this study were all employees of the production division at PT. Tectona Cipta Niaga, 80 employees. This study uses saturated sampling techniques.

4 RESULTS AND DISCUSSION

In this study, after statistical calculations were carried out to test the validity and reliability, it was found that all the statement items submitted had met the requirements for validity and reliability or met the requirements, so the questionnaire fulfilled the eligibility elements in this study. Descriptive analysis was carried out to find out and answer the formulation of the problem related to the respondent's response to the condition of the production division at PT. Tectona Cipta Niaga on the variables studied.

Respondent answers regarding competency variables as measured by the dimensions of attitude, knowledge, and skills, according to most employees, it is interpreted to be in the unfavorable category. When compared between the sub-variables (dimensions), the attitude (dimensional) sub-variables give the best description, while the skills (skills) sub-variables give the lowest description. Respondent answers for the variable compensation as measured by the dimensions of direct compensation (direct compensation) and indirect compensation (indirect compensation), according to most employees, it is interpreted to be in the good category. When compared between the sub-variables (dimensions), the sub-variables (dimensions) of direct compensation give a slightly better picture than the sub-variables (dimensions) of indirect compensation.

Respondent answers to the variable job satisfaction as measured by the dimensions of

the work itself, salary/wages, promotions, supervision, and coworkers for production division employees at PT. According to most employees, Tectona Cipta Niaga is interpreted to be in the unfavorable category. When compared between the sub-variables (dimensions), the supervision sub-variables (dimensions) provide the best description, while the co-workers sub-variables (dimensions) provide the lowest description. Respondent answers for employee performance variables as measured by the dimensions of quality, quantity, responsibility, cooperation, and initiative for production division employees at PT. According to most employees, Tectona Cipta Niaga is interpreted to be in the unfavorable category. When compared between the sub-variables, the initiative sub-variable gives the best description while the cooperation sub-variable gives the lowest description.

To test the effect of competence and employee compensation on job satisfaction and its implications for the performance of production division employees at PT. Tectona Cipta Niaga will be carried out using path analysis on IBM SPSS Version 26.0 software, starting with a correlation test. The correlation test is used to measure the strength of the relationship between competency and compensation variables with reference to the Pearson correlation value.

Output of the correlation test results, it is known that the Pearson correlation value for the competency and compensation variables is 0.714 with a significance or probability of 0.000 which indicates that the value is less than 0.01. Thus, the relationship between competency and compensation variables is in the value range of 0.600 and 0.799 which is included in the strong relationship category. Simultaneous test (F test) in this study was conducted to determine the effect of competency (x₁) and compensation (x₂) variables on job satisfaction (Y). The test was carried out using the Fcount value of the significance of the results of multiple regression (multiple regression analysis). The following is the output of the simultaneous test results (F test), namely:

Table 1. Output of simultaneously test.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	467.680	2	233.840	46.861	.000 ^b
	Residual	319.365	64	4.990		
	Total	787.045	66			

a. Dependent Variable: Satisfaction

b. Predictors: (Constant), Compensation, Competence

Based on the output of multiple regression analysis (multiple regression analysis) in table 1, it is known that the value of Fcount on the competency variable (x_1) and compensation (x_2) on job satisfaction (Y) is 46.861, which means $F_{count} > F_{table}$ ($46.861 > 3.14$) with a significance level of $0.000 < 0.05$. This means that simultaneously there is a significant influence of competence and compensation on job satisfaction of production division employees at PT. Tectona Cipta Niaga. The partial test (t test) is useful for testing the significance level of the effect of the independent variables on the dependent variable by assuming other variables are constant. Tests on the first sub structure were carried out to determine the effect of competence and compensation on job satisfaction. The following is the output of the partial test results (t test) for the first sub-structure, namely:

Table 2. Output of parsial test first substructure

Coefficients ^a						
Model	Unstandardize d Coefficients		Standardize d Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	6.210	2.460		2.52 4	.01 4
	Competence	.584	.114	.585	5.14 7	.00 0
	Compensatio n	.214	.103	.235	2.07 0	.04 3

a. Dependent Variable: Satisfaction

Based on the output of multiple regression analysis (multiple regression analysis) in table 2, a regression equation can be compiled between the independent variables and the dependent variable with the form of the regression equation as follows:

$$Y = 0,585X_1 + 0,235X_2 + 0,479$$

Referring to this equation, the following is an interpretation of the regression equation on the first sub-structure partial test (t test) resulting from this equation, namely if there is an increase of one unit in the competency variable, then job satisfaction will increase by 0.585, and if there is an increase of one unit on the compensation variable, job satisfaction will increase by 0.235 assuming there are other variables that can influence it. Based on the results of the data analysis that has been described, it can be described the pattern of relationships between variables as follows.

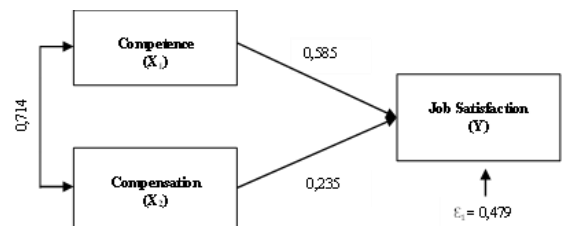


Figure 5. Path diagram of the first substructure

After doing the calculations, it is known that there is a positive and significant influence of competence and compensation on employee satisfaction in the production division at PT. Tectona Cipta Niaga of 59.38%, while the remaining 40.62% is the influence of other variables beyond competence and compensation and is not included in the study. Where, competency variables make the greatest contribution to employee satisfaction in the production division at PT. Tectona Cipta Niaga of 44.04%, followed by the compensation variable which contributed 15.34%.

Furthermore, testing on the second sub-structure was carried out to determine the effect of the Y variable, namely job satisfaction, on the Z variable, namely employee performance. The following is the output of the partial test results (t test) for the second sub-structure.

Tabel 3. Output of pasrsial test second substructure

Model	Coefficients ^a				t	Sig.
	Unstandardize d Coefficients		Standardize d Coefficients Beta			
	B	Std. Error				
1						
(Constant)	9.578	2.037		4.702	.000	
Satisfaction	.775	.068	.817	11.442	.000	

a. Dependent Variable: Performance

Based on the output of multiple regression analysis (multiple regression analysis) in Table 3, a regression equation can be compiled between the independent variables and the dependent variable in the form of the regression equation as follows:

$$Z = 0,817Y + 0,428$$

The interpretation of the regression equation on the partial test (t test) of the second sub-structure resulting from this equation is the coefficient value of the variable job satisfaction of production division employees at PT. Tectona Cipta Niaga of 0.817. This means that for every one-unit increase in the job satisfaction variable, the employee's performance will increase by 0.817 assuming that besides the job satisfaction variable there are other factors or variables that can influence it.

Based on the results of calculating the contribution of job satisfaction to the performance of production division employees at PT. Tectona Cipta Niaga shows a positive and significant influence that is equal to 66.75%. The following is the relationship pattern between job satisfaction and employee performance variables, namely:

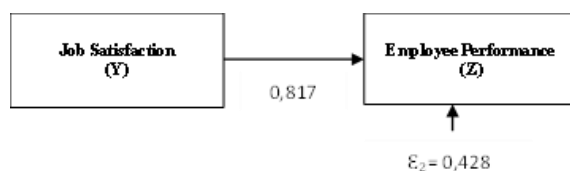


Figure 6. Path diagram of the second substructure

The coefficient of determination is used to measure how far the model's ability on the independent variables x_1 and x_2 together explains the variation of the variable Y . The value of the coefficient of determination is between zero and one, if the value of the coefficient of determination is small, it means that the ability of the independent variable to explain the variation of the dependent variable is limited. The following is the output of the test results for the coefficient of determination (R^2) in this study, namely:

Table 4. Output of coefficient test results determination (R^2)

Model	R	Model Summary ^b		
		R Square	Adjusted R Square	Std. Error of the Estimate
1	.771 ^a	.594	.582	2.23385

a. Predictors: (Constant), Compensation, Competence

b. Dependent Variable: Satisfaction

Based on the output of multiple regression analysis in table 4, the coefficient of determination (R^2) is obtained with reference to the R Square value of 0.594 or (59.40%). This shows that the variability of the independent variables x_1 and x_2 which consist of competence and compensation can explain the Y variable, namely job satisfaction of 59.40%, while the rest is influenced by other variables not observed in the study.

The first hypothesis proposed in this study is the influence of competency variable (x_1) on job satisfaction (Y). To answer this hypothesis a partial test (t test) will be used. Based on the output in Table 2, it is known that the tcount of competence (x_1) on job satisfaction (Y) is 5.147, which means tcount > ttable (5.147 > 1.99773) with a significance level of $0.000 < 0.05$. These results mean that reject H_0 and accept H_1 , which means that there is an effect of compensation (x_2) on job satisfaction (Y) of production division employees at PT. Tectona Cipta Niaga.

In addition, the coefficient of the competency variable has a positive direction, meaning that the better and increased employee competency, the higher job satisfaction will be. Companies must be able to get employees who have high competence

or be able to increase the competence of employees who are currently in the company, thereby achieving job satisfaction. Based on the calculation results, it appears that the effect of competence on job satisfaction of production division employees at PT. Tectona Cipta Niaga is 0.4404 or 44.04%.

Competence as an ability or skill possessed by employees in carrying out a job that is not only about one's attitude, knowledge and skills, but must be equipped with a willingness to do what is known so as to produce benefits. The higher the business challenges faced by the company, the position of employees becomes more strategic, because the company's competitive advantage is very dependent on the quality of employees who will then be seen as an important asset of a company.

This explanation is strengthened and supported by the results of previous research conducted by Tung, Anh, and Anh (2019) entitled *The Factors Impact on Employee Satisfaction in Work at Vietnam*, where the results of the study state that competency is one of the variables that influence job satisfaction. . These results are in line with research conducted by Rahman, Siddiqi, and Basak (2017) entitled *Factors Influencing Job Satisfaction of the Workers: An Empirical Study on Readymade Garment (RMG) Sector in Bangladesh*, where the results of the study stated that employees with higher levels of competence ability will have an impact on increasing job satisfaction.

The second hypothesis proposed in this study is the effect of compensation variable (X_2) on job satisfaction (Y). To answer this hypothesis a partial test (t test) will be used. Based on the output in table 2, it is known that the tcount of compensation (X_2) on job satisfaction (Y) is 2.070, which means $t_{count} > t_{table}$ ($2.070 > 1.99773$) with a significance level of $0.043 < 0.05$.

These results mean that reject H_0 and accept H_1 , which means that there is an effect of compensation (X_2) on job satisfaction (Y) of production division employees at PT. Tectona Cipta Niaga. In addition, the coefficient of the compensation variable has a

positive direction, meaning that the better the system and fairness of compensation received by employees, it will lead to an increase in job satisfaction. Based on the calculation results, it appears that the effect of compensation on job satisfaction in the production division at PT. Tectona Cipta Niaga is 0.1534 or 15.34%.

Compensation or remuneration as something that is received as a substitute for employee services performed is one of the implementation of the human resource management function which is important because it affects the comfort of the employee. Thus, the compensation system must be able to provide justice for every employee in the company. Inadequate compensation can reduce employee performance, motivation, and job satisfaction, and can even cause qualified or potential employees to leave the company.

This explanation is strengthened and supported by the results of previous research conducted by Abadi and Renwarin (2017) with the title *Analysis on the Influence of Compensation and Leadership on Job Satisfaction and Its Effect on Job Performance*, where the results show that compensation has a direct and significant effect on job satisfaction. This is in line with the research conducted by Wulandari, Murtini, and Rahmanto (2018) entitled *Effects of Communication and Compensation on Employee Job Satisfaction at PT Muara Krakatau II, Semarang Regency*, where the results of the research state that compensation has a significant effect on job satisfaction.

The third hypothesis proposed in this study is the influence of competency (X_1) and compensation (X_2) variables on job satisfaction (Y). To answer this hypothesis a partial test (F test) will be used. Based on the output in table 1, it is known that the Fcount of competence (X_1) and compensation (X_2) on job satisfaction (Y) is 46.861, which means $F_{count} > F_{table}$ ($46.861 > 3.14$) with a significance level of $0.000 < 0.05$. These results mean that reject H_0 and accept H_1 , which means that there is an influence of competence (X_1) and compensation (X_2) on

job satisfaction (Y) of production division employees at PT. Tectona Cipta Niaga.

In line with the research results which state that competence and compensation have a significant influence on job satisfaction, companies that have employees with high competence and are able to provide fair compensation will be able to achieve job satisfaction which will ultimately benefit employees and the company. Every company has goals or targets to be achieved, quality human resources are needed.

This can be seen from work competencies which include abilities, skills and knowledge in doing the work assigned to him. In addition, companies must be able to retain competent employees, one way to keep employees in the company is by providing fair compensation. This explanation is reinforced and supported by the results of previous research conducted by Akterujjaman and Ahmad (2016) with the title Workers' Satisfaction toward RMG Industry in Bangladesh: A Study on Dhaka and Gazipur City, where the results stated that all research variables including competence and compensation has an influence on employee job satisfaction in RMG Industry.

Referring to the results of the simultaneous testing (F test) that has been carried out and the explanations presented, the company, in this case PT. Tectona Cipta Niaga must pay attention to the competencies possessed by employees and provide guidance to employees either in the form of training or other activities followed by an evaluation of the progress of increasing their competencies.

The fourth hypothesis proposed in this study is the effect of the compensation variable (X_2) on job satisfaction (Y). To answer this hypothesis a partial test (t test) will be used. Based on the output in table 3, it is known that the tcount value of job satisfaction (Z) on employee performance (Y) is 11.442, which means $t_{count} > t_{table}$ ($11.442 > 1.99714$) with a significance level of $0.000 < 0.05$. These results mean that reject H_0 and accept H_1 , which means that there is an effect of job satisfaction (Y) on employee performance (Z)

employees of the production division at PT. Tectona Cipta Niaga.

In addition, the coefficient of the job satisfaction variable has a positive direction, meaning that every employee must work according to expectations, work enthusiastically, always be excellent, and have creativity so that the company can ensure increased performance. Based on the calculation results, it appears that the effect of job satisfaction on the performance of production division employees at PT. Tectona Cipta Niaga is 0.6675 or 66.75%. Basically job satisfaction is the goal of employees in doing something or work, besides that job satisfaction is also important for the organization.

When viewed from the employee's point of view, job satisfaction is not only related to enjoyable work, but also related to happiness and health. Meanwhile, from the organization, job satisfaction is related to productivity, positive work behavior, controlling turnover and performance. Therefore, managing employees in a company is an important thing to do so that employees feel comfortable and satisfied with their work and are more active at work and think creatively for the progress of the company.

This explanation is strengthened and supported by the results of previous research conducted by Aini, Jaelani, and Khoirul (2020) with the title Effects of Motivation, Work Discipline, and Job Satisfaction on Employee Performance at Konveksi Maudiza Group Malang, where the results of the study state that the variable job satisfaction has a positive and significant influence on employee performance. In line with research conducted by Than, Pham, and Pham (2016) entitled Job Stress, Involvement, Satisfaction and Performance of Employees in Garment 10 Corporation in Vietnam, where the results of the study stated that job satisfaction and employee performance have a positive and significant influence.

5 CONCLUSION

Descriptively, respondents' responses related to the condition of the variables of competence, job satisfaction, and employee performance are included in the category of not good, relatively low or not in accordance with the expectations desired by the company and employees, only compensation variables are included in the good category, relatively in accordance with expectations. Verification analysis using path analysis found that partially there is an influence of competence on job satisfaction with a contribution of 44.04%, there is an effect of compensation on job satisfaction with a contribution of 15.34%, and there is an effect of job satisfaction on employee performance with a contribution of 66.75%, while the tests are carried out simultaneously (F test) also found that there was an effect of competence and compensation on job satisfaction with a contribution of 59.38%.

First, with regard to competency variables, companies must set standards in recruiting employees by paying attention to expertise specifications as the main consideration, and conducting training to improve employee capabilities that are not yet optimal, ending with an evaluation of the employee recruitment process and training or similar competency improvement programs that have been carried out so that satisfaction work can be achieved. Second, regarding the compensation variable, companies must increase communication or outreach to convey considerations for each policy taken, this is related to shared perceptions so that employees understand and understand the basis of these policies. The company must also ensure that the provision of compensation meets fair principles for every employee in order to achieve job satisfaction.

Third, related to the variable of job satisfaction, companies must carry out activities outside work that are familial in nature to embrace employees to become more solid. In addition, companies can conduct training and job rotation and create work

schemes that can be carried out together so that the completion of work becomes more effective and efficient. Companies must also ensure that every employee works according to expectations, works with enthusiasm, is always excellent, and has creativity so that the company can ensure that employee performance continues to increase.

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