

The Influence of Job Competence and Work Discipline on Employee Performance through Job Satisfaction as a Mediation Variable at PT. Honoris Industry Bogor City, Indonesia



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ABSTRACT: The aim of this research is to determine the influence of work competency and work discipline on employee performance through job satisfaction as a mediating variable at PT Honoris Industry Bogor City. The research method used was quantitative based with a sample of 193 production employees, the data analysis method used was Smart PLS version 4. The results of this research show that work competency has a positive and significant effect on employee performance, work discipline has a positive and significant effect on employee performance, satisfaction work has a positive and significant effect on employee performance, work competence has a positive and significant effect on job satisfaction, work discipline has a positive and significant effect on job satisfaction, work competence has a positive and significant effect on employee performance through job satisfaction, work discipline has a positive and significant effect on performance employees through job satisfaction. Therefore, companies should pay more attention to work competency, work discipline and job satisfaction which will influence improving employee performance.

KEYWORDS: Employee Performance, Job Competence, Job Satisfaction, Work Discipline

I. INTRODUCTION

Seeing the current conditions, companies are required to be able to be economically competitive, supported by human resources who are reliable in the world of work and placed in the right positions. Good performance is indeed a condition desired by the company, therefore the directed and effective use of labor is a determining factor in efforts to improve employee performance. Performance is related to the final results obtained from the goals that have been set in a plan, where performance measures are produced from various indicators, both in terms of the quality produced, quantity of results, responsibility and innovation provided in achieving these goals. Every worker has abilities based on knowledge and skills, competencies appropriate to their job, work motivation and performance satisfaction, and has personality, attitudes and behavior that can influence their performance (Wibowo, 2019), so that performance is closely related to work competency, discipline work and job satisfaction.

PT. Honoris Industry which is often called "PT. Hori" with an address in Bogor City is a company that produces bulbs or light bulbs. Recently, the company has experienced a decline in performance which can be seen from the decline in performance achievements. This is because the level of competence, work discipline and job satisfaction of employees is low, so it is an indication that employee performance is still not good. The following is the average performance achievement of PT production department employees. Industry Honors for 2020-2023 as seen from *quality, quantity dan effectiveness*:

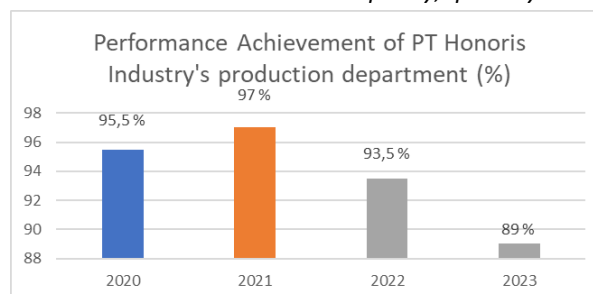


Figure 1 Performance Achievements of PT Honoris Industry

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Based on the picture above, in 2023 there will be a decline of 4.5% so that performance will only reach 89%. This decline in performance is an indication of problems in the company.

One of the employee competencies can be seen from the level of education, in this company there are still employees with low levels of education, namely only up to junior high school at 7% and elementary school at 1.6%. This means that if there are still employees who have low education, their knowledge will also be low, which will affect the company's performance. Survey results show that an average of 69% of employees have low competence. Efforts made by the company to improve this competency are by conducting training, especially in the production department, but this training is not routine, namely only once a year with a duration of 1 day. The number of training participants was only a few people, and the training provided was still general in nature and was not carried out specifically for production department training.

Disciplined employees will support performance in a company, of course PT. Honoris Industry always strives to ensure that its employees come to work diligently and that employee absenteeism is low. The company's employee attendance target is at least 99%, but in reality the average employee attendance rate of PT. Honoris Industry in 2023 is 95% with an absence rate of 5% so it did not reach the target because it was 4% short. According to theory, if the percentage of absenteeism is 0% to 2% then it is considered good, if it is 3% to 10% then absenteeism is considered high (Flippo, 2002). This means that employees are not disciplined at work. Therefore, companies must provide satisfaction at work so that attendance will increase.

Apart from competence and work discipline, what can improve employee performance is job satisfaction. According to Nurrohamat & Rini (2021), job satisfaction can improve the performance of a company's employees. One of the factors of job satisfaction is appropriate wages. However, what has happened in this company is that employees have not received satisfaction at work, this is due to the low level of wages given, namely below the regional minimum wage (UMR) for Bogor City. This low job satisfaction causes the performance of PT Honoris Industry employees to be low, especially in the production department. This has attracted the attention of researchers to research further regarding the influence of competence and work discipline on employee performance through job satisfaction as a mediating variable at PT. Honoris Industry Bogor City.

II. METHOD

This research was conducted at PT Honoris Industry, Bogor City, Indonesia. The research method uses a quantitative approach. According to Maholtra (2017) a quantitative approach is a research approach that attempts to quantify data and usually applies certain statistical analysis. The population was 374 employees with a sample size of 193 employees. Employee performance as the dependent variable, work competency and discipline as the independent variable and job satisfaction as the mediating variable. The indicators used for performance variables are quality, quantity and effectiveness (Harwina, 2022), (Kasmir, 2019). Work competency indicators consist of technical expertise, operational knowledge and communication skills (dos Santos et al., 2017), (German et al., 2020). Indicators of work discipline consist of attendance, obeying regulations and being punctual (Edward et al., 2023), (Rachmaniah et al., 2022). Job satisfaction indicators consist of leaders, coworkers and wages (Bahmani-oskooee & Feinberg, 2022), (Tri Finta, 2021).

Then, the data collection techniques used in this research were literature studies and field studies by distributing questionnaires. All statements contained in the questionnaire were measured using a Likert scale with five points ranging from 1 for strongly disagree to 5 for strongly agree. Data processing uses SmartPLS software version 4.1.0.8 with analysis techniques including:

1. Analysis *Outer Model*, carried out to ensure that the measurements used are suitable for measurement (valid and reliable).
2. Analysis *Inner Model*, This model is the development of a concept and theory based model in order to analyze the relationship between exogenous and endogenous variables which have been described in the conceptual framework.
3. Hypothesis Testing

According to Cepeda et al., (2017), to analyze the mediation effect it is necessary to see changes in the influence of the direct relationship (*direct effects*) and indirect relationships (*indirect effects*).

The hypothesis in this research is:

- H1 : Work competency has a positive and significant effect on employee performance
- H2 : Work discipline has a positive and significant effect on employee performance
- H3 : Job satisfaction has a positive and significant effect on employee performance
- H4 : Work competency has a positive and significant effect on job satisfaction
- H5 : Work discipline has a positive and significant effect on job satisfaction
- H6 : Work competency has a positive and significant effect on employee performance through job satisfaction
- H7 : Work discipline has a positive and significant effect on employee performance through job satisfaction

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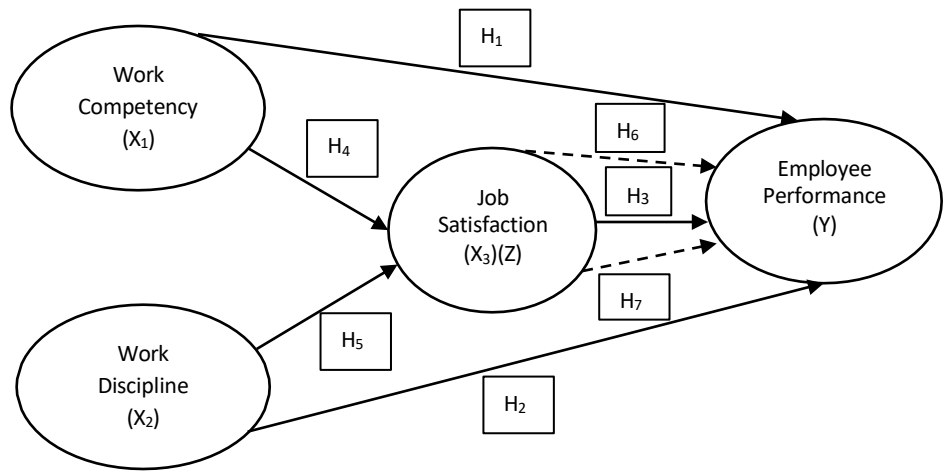


Figure 2 Research Constellation

III. RESULT

The average respondent's characteristics are male, average age 21-30 years, average education level is high school and above, average length of work is 3 years.

1. Outer Model Testing (Measurement Model)

a. Convergent Validity

Table 1 Loading Factor Value

No	Indicator	Work Competency (X1)	Work Discipline (X2)	Job Satisfaction (X3 & Z)	Empolyee Performance (Y)
1.	Item 1	0.727	0.788	0.808	0.860
2.	Item 2	0.735	0.829	0.848	0.855
3.	Item 3	0.809	0.801	0.867	0.837
4.	Item 4	0.888	0.819	0.816	0.822
5.	Item 5	0.815	0.833	0.822	0.825
6.	Item 6	0.867	0.847	0.889	0.866
7.	Item 7	0.851	0.839	0.840	0.797
8.	Item 8	0.775	0.832	0.874	0.841
9.	Item 9	0.829	0.862		0.868
10.	Item 10	0.810			

Source: Obtained by researchers using *SmartPLS 4* (2024)

Based on the table above, all variable indicators used in this research are valid or meet the requirements *convergent validity* because value greater than 0.7 (Ghozali, 2018)

b. Discriminant Validity

It can be seen from the AVE value, namely if it has a value greater than 0.50 it is said to be good (Ghozali, 2018).

Table 2 Nilai AVE (Average Variance Extracted)

No.	Variabel	AVE Value
1.	Work Competency (X1)	0,660
2.	Work Discipline (X2)	0,690
3.	Job Satisfaction (X3 & Z)	0,723
4.	Empolyee Performance (Y)	0,712

Source: Obtained by researchers using *SmartPLS 4* (2024)

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Based on the AVE Value table for all research variables and research dimensions, the value is above 0.50, meaning it is suitable for further testing.

c. Composite Reliability

A variable can be declared reliable if it has a value *cronbach's alpha* > 0.7. The following is a table of Composite Reliability and Cronbach's Alpha values:

Table 3. Value Table Composite Reliability And Cronbach's Alpha

Variabel	Composite Reliability	Syarat	Cronbach's Alpha	Syarat	Keterangan
Work Competency (X1)	0.951	> 0.70	0.942	> 0.70	Reliable
Work Discipline (X2)	0.952	> 0.70	0.944	> 0.70	Reliable
Job Satisfaction (X3 & Z)	0.954	> 0.70	0.945	> 0.70	Reliable
Empolyee Performance (Y)	0.957	> 0.70	0.949	> 0.70	Reliable

Source: Obtained by researchers using *SmartPLS 4* (2024)

2. Inner Model Testing (Structural Model)

a. Coefficient of Determination Test (R²)

Table 4. R Square Value of the Research Model

Construct	R Square	R Square Adjusted
Job Satisfaction	0.605	0.601
Employee performance	0.679	0.674

Source: Obtained by researchers using *SmartPLS 4* (2024)

That the job satisfaction variable (X3, Z) is 0.601, this shows that 60.1% of job satisfaction (X3, Z) can be influenced by work competency (X1) and work discipline (X2), while the remaining 39.9% is influenced by other variables outside of this research. Then, the Adjusted R square value can be explained that the employee performance variable (Y) is 0.674, this shows that 67.4% of employee performance (Y) can be influenced by work competency (X1), work discipline (X2) and job satisfaction (X3, Z), while the remaining 32.6% is influenced by other variables outside of this research.

b. Goodness of Fit (GOF)

The model fit test can be seen from the SRMR and NFI values. According to Ghazali (2018), a model is said to be fit if it has SRMR < 0.10, whereas if the NFI value is closer to 1, the better or fit it is. Following is the Model Fit Table:

Table 5. Model Fit Test (Model Fit)

	Saturated model	Estimated model
SRMR	0.077	0.077
NFI	0.695	0.695

Source: Obtained by researchers using *SmartPLS 4* (2024)

3. Hypothesis Testing

Path value *coefficients* is positive, then the influence of an independent variable on the dependent variable is in the same direction, but if the value *path coefficients* negative, then the influence of an independent variable on the dependent variable is opposite. Then if the significance value (*p-value*) < 0.05, then the influence on the variable is significant. However, if the significance value (*p-value*) > 0.05, then the influence on the variable is not significant.

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Table 6 Path Coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Work Competency -> Employee Performance	0.177	0.186	0.099	1.799	0.036
Work Discipline -> Employee Performance	0.251	0.253	0.140	1.802	0.036
Job Satisfaction -> Employee Performance	0.469	0.460	0.143	3.270	0.001
Job Competency -> Job Satisfaction	0.237	0.251	0.101	2.349	0.009
Work Discipline -> Job Satisfaction	0.579	0.572	0.109	5.301	0.000
Job Competency -> Employee Performance through Job Satisfaction	0.111	0.111	0.050	2.231	0.013
Work Discipline -> Employee Performance through Job Satisfaction	0.272	0.266	0.105	2.584	0.005

Source: Obtained by researchers using *SmartPLS 4* (2024)

Based on the table above shows that:

1. The path coefficient value of work competency on employee performance is 0.177 (positive) and the significance is 0.036, meaning that there is a positive and significant influence of competency on employee performance
2. The path coefficient value of work discipline on employee performance is 0.251 (positive) and the significance is 0.036, meaning that there is a positive and significant influence of work discipline on employee performance
3. The path coefficient value of job satisfaction on employee performance is 0.469 (positive) and the significance is 0.001, meaning that there is a positive and significant influence of job satisfaction on employee performance
4. The path coefficient value of work competence on job satisfaction is 0.237 (positive) and the significance is 0.009, meaning that there is a positive and significant influence of work competence on job satisfaction
5. The path coefficient value of work discipline on job satisfaction is 0.579 (positive) and the significance is 0.000, meaning that there is a positive and significant influence of work discipline on job satisfaction
6. The path coefficient value of work competency on employee performance through job satisfaction is 0.013 (positive) and the significance is 0.013, meaning that there is a positive and significant influence of work competency on employee performance through job satisfaction
7. The path coefficient value of work discipline on employee performance through satisfaction is 0.272 (positive) and a significance of 0.005, meaning that there is a positive and significant influence of work discipline on employee performance through job satisfaction

Discussion

1. The Influence of Work Competency on Employee Performance

The research results show that work competency has a positive and significant effect on the performance of PT employees. Honorary Industry Bogor City. This means that work competence is a determining factor in employee performance, where an employee's work competence is able to improve performance at work. The results of this research are in line with research conducted by Wartono & Sudaryana (2020), Ubaidillah et.al (2023), Harwina (2022), Subari & Hanes Riady (2015) and Bischof-do-Santos & de Oliveira (2020) who obtained The results show that work competency has a positive and significant effect on employee performance.

2. The Effect of Work Discipline on Employee Performance

The research results show that work discipline has a positive and significant effect on employee performance. This shows that there is a connection between work discipline and employee performance. This means that employees have high work discipline, which will be followed by employee performance which will also be higher in the production department. The results of this research are in line with research conducted by Tupti & Arif (2020), Ferdinandus (2020), Norawati et.al (2021), Andriyani (2021) stating that work discipline has a positive and significant effect on employee performance.

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3. The Effect of Job Satisfaction on Employee Performance

The research results show that job satisfaction has a positive and significant effect on the performance of PT Honoris Industry Bogor City employees. This means that job satisfaction is a determining factor in employee performance, where someone who is satisfied at work is able to improve their performance. The results of this research are in line with research conducted by Tupti & Arif (2020), Ferdinandus (2020), Norawati et.al (2021), Andriyani (2021), Nurohmat & Lestari (2021), Tri Finta (2021), Rinny et. al (2020), as well as Bdrianto and Ekhsan (2020) who obtained research results that job satisfaction has a positive and significant influence on performance employee.

4. The Influence of Job Competence on Job Satisfaction

The results of the research show that work competency has a positive and significant effect on job satisfaction among PT employees. Honorary Industry Bogor City. This means that work competence is one of the determining factors for job satisfaction, where an employee's work competence can increase satisfaction at work. The results of this research are in line with research conducted by Haryadi & Nurhasanah (2021), Rohmah (2021), Agustinah et al (2020) and Nugraha et al (2022) who found research results that work competency has a positive and significant influence on job satisfaction.

5. The Influence of Work Discipline on Job Satisfaction

The results of the research show that work discipline has a positive and significant effect on job satisfaction for employees of PT Honoris Industry, Bogor City. This means that work discipline is one of the triggers in determining employee satisfaction, where an employee's work discipline is able to increase satisfaction at work. The results of this research are in line with research conducted by Rahayu & Dahlia (2023), Suprpti et al (2020) and Bahmani-oskooee & Feinberg (2022) which found that work discipline has a positive and significant effect on job satisfaction.

6. The Influence of Work Competency on Employee Performance Through Job Satisfaction

The research results show that work competency has a positive and significant effect on employee performance through job satisfaction for PT employees. Honorary Industry Bogor City. This means that work competence through job satisfaction is one of the factors that will improve employee performance, where if work competence increases, which is mediated by satisfaction, their performance will also increase. The results of this research are in line with research conducted by Hidayat et al (2020), Ronny & Maria (2020), Marhayani et al (2019), and Prasyanto (2017) who found that work competency has a positive and significant effect on employee performance through satisfaction. Work.

7. The Effect of Work Discipline on Employee Performance Through Job Satisfaction

The research results show that work discipline has a positive and significant effect on employee performance through job satisfaction for employees of PT Honoris Industry Bogor City. This means that work discipline is one of the factors that will improve performance through job satisfaction, where if employee work discipline increases which is mediated by job satisfaction, employee performance will also increase. The results of this research are in line with research conducted by Rachmaniah (2022), Windi & Sundari (2021), Edward et al (2023) who found research results that work discipline had a positive and significant effect on employee performance through job satisfaction.

IV. CONCLUSIONS

Based on the hypothesis, the results of this study show that work competence has a positive and significant effect on employee performance, work discipline has a positive and significant effect on employee performance, job satisfaction has a positive and significant effect on employee performance, work competence has a positive and significant effect on job satisfaction, work discipline has a positive and significant effect on job satisfaction, work competence has a positive and significant effect on employee performance through job satisfaction, work discipline has a positive and significant effect on employee performance through job satisfaction.

Suggestions for companies should pay more attention to work competency, work discipline and job satisfaction which will influence improving employee performance. Suggestions for further research can use other variables that can influence performance such as training, career development and leadership style that influence performance such as research conducted by Sulu et al (2022) or can use other variables such as motivation, organizational culture and compensation such as research conducted by Astuti et al (2023), then used a wider sample and not just one unit and looked for more references.

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