

The Influence Of Competence, Compensation And Job Satisfaction On Employee Work Quality In Industrial Companies Yogyakarta

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Abstract

Employee work quality is related to the performance of an employee, performance means the result of a process measured based on agreements or SOPs that have been made by the company. This study aims to test and analyze the influence of competence, compensation and job satisfaction on employee work quality in one of the agencies engaged in the industrial sector of Yogyakarta. The population in this study were all employees in one of the industrial companies in Yogyakarta, totaling 50 people. 50 samples were collected using a survey method with a census technique. This research method is quantitative with data collection using a questionnaire. Data analysis uses Validity Test, Reliability Test, Simultaneous Test, and Determination Coefficient Test. The data analysis technique in this study uses the Classical Assumption Test. The research results show that competence and compensation have a positive and significant effect on employee work quality. However, job satisfaction has no effect on employee work quality.

Keywords: Competence, Compensation, Job Satisfaction and Employee Work Quality

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INTRODUCTION

Currently, the biggest issue is employee work quality, which is a serious problem for many agencies. Poor employee work quality results in decreased productivity and uncompleted work within the agency's established timelines. Employee work quality is related to an employee's performance; performance refers to the results of a process measured based on agreements or standard operating procedures (SOPs) established by the company. (Mulyadi et al., 2022).

The quality of employee work is caused by several factors, such as the competency of employees, compensation given to employees, and employee job satisfaction. (Sedana & Surya, 2022) This study will examine the factors that influence employee work quality, which consist of competence, compensation, and job satisfaction.

Competence has a very important role, because in general, competence concerns a person's basic ability to do a job (Dwianto et al., 2019) Likewise, Andi Erna Rasyid (2018) stated that competence and compensation have been proven to have a positive and significant influence on performance through work quality.

The next factor is compensation, according to Yulandri & Onsardi, (2020) Compensation is a reward or remuneration given by an organization to its employees, because the employees have contributed their energy and thoughts for the progress of the organization in order to achieve the goals that have been set.

Providing compensation can improve work performance and employee motivation and also bring about their job satisfaction, therefore the concern of an organization or company towards rational and fair compensation arrangements is very necessary, when compensation does not match employee expectations, what happens is a subtle rejection to a strong rejection through demonstrations. (Rasyid et al., 2018).

From this statement, it can be understood that the large and diverse types of compensation that have an impact on improving the welfare of employees will naturally give rise to work enthusiasm that will have an impact on improving work performance and productivity. (Sutoro et al., 2020).

According to Syakir et al., (2022) states that job satisfaction is a positive attitude of the workforce including feelings and behavior towards their work through assessing one's work as a sense of appreciation in achieving one of the important values of the work.

Employee job satisfaction can be increased by having a good work environment, conversely, having a bad work environment that disturbs employees while working will reduce job satisfaction. (Lestari et al., 2020). Based on this opinion, Suhroji Adha (2019) stated that job satisfaction is related to and has a positive influence on employee work quality.

METHODOLOGY

The sampling technique in this study used the census method. Primary data was used as the data source. Data analysis techniques included validity tests, reliability tests, simultaneous tests, and the coefficient of determination. The classical assumption test was used to analyze the data. The results showed that competency, compensation, and job satisfaction variables simultaneously significantly influenced employee work quality.

RESULTS AND DISCUSSION

Validity Test

The validity test was conducted using Statistical Program for Social Science (SPSS) version 2.5. This application is a Structural Equation Modeling (SEM) technique that can analyze indicator variables and measurement errors directly. An instrument can be said to be valid when it shows that the measuring tool used to obtain the data is valid or can be used to measure what should be measured. This test is used to measure the validity of the questionnaire results that show the depth of measurement of a measuring tool. The minimum requirement to meet the validity requirements is that r count is greater than or equal to 0.3 (Niken, 2019).

Table 1. Validity Test Results

| | Competence (X1) | Compensation (X2) | Job Satisfaction (X3) | Employee Work Quality (Y) | Information |
|-----|--------------------|----------------------|-----------------------------|---------------------------------|-------------|
| KP1 | 0.606 | | | | Valid |
| KP2 | 0.685 | | | | Valid |

| | | | |
|------|-------|-------|-------|
| KP3 | 0.589 | | Valid |
| KP4 | 0.500 | | Valid |
| KP5 | 0.758 | | Valid |
| KP6 | 0.685 | | Valid |
| KM1 | | 0.615 | Valid |
| KM2 | | 0.792 | Valid |
| KM3 | | 0.693 | Valid |
| KM4 | | 0.739 | Valid |
| KM5 | | 0.695 | Valid |
| KM6 | | 0.287 | Valid |
| KK1 | | 0.653 | Valid |
| KK2 | | 0.793 | Valid |
| KK3 | | 0.712 | Valid |
| KK4 | | 0.658 | Valid |
| KK5 | | 0.701 | Valid |
| KK6 | | 0.432 | Valid |
| KKK1 | | 0.732 | Valid |
| KKK2 | | 0.698 | Valid |
| KKK3 | | 0.705 | Valid |
| KKK4 | | 0.578 | Valid |
| KKK5 | | 0.748 | Valid |
| KKK6 | | 0.553 | Valid |

Source: primary data processed 2023

Table 1 above shows the results of primary data calculations using SPSS 2.5, which shows that the correlation value is ≥ 0.3 . This indicates that each indicator instrument has good validity.

Reliability Test

Table 2. Reliability Test Results

| Item | Cronbach's Alpha Value | Critical Value | Information |
|-----------------------|------------------------|----------------|-------------|
| Competence | 0.783 | 0.60 | Reliable |
| Compensation | 0.713 | 0.60 | Reliable |
| Job satisfaction | 0.734 | 0.60 | Reliable |
| Employee work quality | 0.753 | 0.60 | Reliable |

Source: primary data processed 2023

Based on the data analysis in table 2 above, all variables in the reliability test use Cronbach's alpha. The Cronbach's alpha value for each instrument was above 0.60. Furthermore, the validity test results also showed a value above 0.3. Thus, it can be concluded that the variables tested in this study are considered valid and reliable.

Table 3 Normality Test

| One-Sample Kolmogorov-Smirnov Test | | Unstandardized Residual |
|---|-----------------|-------------------------|
| N | | 50 |
| Normal Parameters^{a,b} | <u>Mean</u> | .0000000 |
| | Std. Deviation | 1.73070571 |
| Most Extreme Differences | <u>Absolute</u> | .099 |
| | <u>Positive</u> | .099 |
| | Negative | -.075 |
| Test Statistics | | .099 |
| Asymp. Sig. (2-tailed) | | .200 ^{c,d} |
| a. Normal distribution test. | | |
| b. Calculated from data. | | |
| c. Lilliefors Significance Correction. | | |
| d. This is lower bound of the true significance. | | |

Source: primary data processed 2023

Based on the results of the normality test in Table 3 above, it can be explained that this study has an Asymp. Sig. (2-tailed) value of 0.200, which means it is greater than 0.05. Therefore, the data in this study is normally distributed and the research can be continued.

Table 4 Multicollinearity Test

| Model | Coefficients^a | | | | | Collinearity Statistics | |
|-----------------------|---------------------------------|---------------------------|-------|------|-----------|--------------------------------|--|
| | Unstandardized Coefficients | Standardized Coefficients | T | Sig. | Tolerance | VIF | |
| 1 (Constant) | 4.141 | | .694 | .491 | | | |
| Competence (X1) | .364 | .123 | 2.970 | .005 | .907 | 1.102 | |
| Compensation (X2) | .325 | .113 | 2.883 | .006 | .956 | 1.046 | |
| Job satisfaction (X3) | .143 | .113 | 1.266 | .212 | .909 | 1.100 | |

a. Dependent Variable: employee work quality

Source: primary data processed 2023

Based on the results of the Multicollinearity Test in table 4 above, it can be seen in the standardized coefficients column at a beta value of less than 1, namely for X1 of 0.396, X2 of 0.374, and X3 of 0.169, so there are no symptoms of multicollinearity. In addition, it can also be concluded that the VIF value of all research variables has a value <10.00, and all variables used have a tolerance value greater than 0.10, so this study did not find symptoms of multicollinearity.

Table 5 Heteroscedasticity Test

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-----------------------|-----------------------------|--------------|---------------------------|-------------|-------------|
| | B | Std. Error | | | |
| 1 (Constant) | 1,416 | 3,066 | | .462 | .646 |
| Competence (X1) | .068 | .063 | .160 | 1,076 | .287 |
| Compensation (X2) | .006 | .058 | .016 | .111 | .912 |
| Job satisfaction (X3) | -.075 | .058 | -.192 | -1.296 | .201 |

a. Dependent Variable: employee work quality

Source: primary data processed 2023

Table 5 above shows the sig value for each variable in the standardized coefficients column. The sig value for the competency variable is 0.287, the sig value for the compensation variable is 0.912, and the sig value for job satisfaction is 0.201, all of which are greater than 0.05. All sig values for the research variables are greater than 0.05, so no heteroscedasticity was found in this study.

Table 6 Partial Test (t Test)

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---------------------|-----------------------------|--------------|---------------------------|-------------|-------------|
| | B | Std. Error | | | |
| 1 (Constant) | 4.141 | 5,968 | | .694 | .491 |
| Competence | .364 | .123 | .396 | 2,970 | .005 |
| Compensation | .325 | .113 | .374 | 2,883 | .006 |
| Job satisfaction | .143 | .113 | .169 | 1,266 | .212 |

a. Dependent Variable: employee work quality

Source: primary data processed 2023

From table 6 above, partial hypothesis testing can be seen in the standardized coefficients column, the sig value obtained for the competency variable is 0.005, which is smaller than 0.05, so the competency variable has a significant effect on employee work quality. The compensation variable has a sig value of 0.006, which is also smaller than 0.05, so compensation has a significant effect on employee work quality. The job satisfaction variable has a sig value of 0.212, which means it is greater than 0.05, so job satisfaction does not have a significant effect on employee work quality.

Table 7 Simultaneous Test (F Test)

| ANOVA | | | | | | |
|-------|------------|---------------|----|-------------|-------|-------|
| Model | | Sum of Square | Df | Mean Square | F | Sig. |
| 1 | Regression | 51,228 | 3 | 17,076 | 5,352 | .003b |
| | Residual | 146,772 | 46 | 3,191 | | |
| | Total | 198,000 | 49 | | | |

a. Dependent Variable: Employee work quality
b. Predictors: (Constant; job satisfaction, compensation, competence)

Source: primary data processed 2023

In the simultaneous test of this study, a sig value of 0.000 was produced, which means it is smaller than 0.05, so that the independent variables, namely competence, compensation, and job satisfaction, together have a significant effect on the quality of employee work.

Table 8 Coefficient of Determination

| Model Summary | | | | |
|---------------|-------|---------|------------------|---------------------------|
| Model | R | RSquare | Adjusted RSquare | Std.Error of the Estimate |
| 1 | .509a | .259 | .210 | 1.78625 |

a. Predictors: (Constant), kjob satisfaction, compensation, competence

Source: primary data processed 2023

From table 8 above, it is known that this study has an R Square value of 0.259, which means that the independent variables in this study, namely competence, compensation, and job satisfaction, have a significant impact on the dependent variable of employee work quality of 0.259 or 25.9% and the remaining 74.1% is influenced by variables outside the study.

The influence of competence on employee work quality

The influence of competence on employee work quality shows a t-test value of sig value on the competence variable of 0.005 which is smaller than 0.05. The competence variable also has a positive regression coefficient value, so the competence variable partially has a significant and positive effect on employee work quality. The results in this study are in line with previous research conducted by Andi Erna Rasyid in 2018 which stated that competence has a significant and positive effect on employee work quality. Therefore, it can be concluded that the first hypothesis of this study is accepted.

The effect of compensation on employee work quality

The effect of compensation on employee work quality shows the t-test value on the compensation variable, it is known that the resulting sig value is 0.006 which is smaller than 0.05. The compensation variable also has a positive regression coefficient value, therefore the X2 variable partially has a positive and significant effect on employee work quality. This is in line with previous research conducted by Sutrisno in 2022 regarding the effect of compensation, motivation, and job satisfaction on employee work quality which stated that compensation has a positive and significant effect on employee work quality. So it can be concluded that the second hypothesis is accepted.

The influence of job satisfaction on employee work quality

The effect of job satisfaction on employee work quality is shown by the t-test value for variable X3, namely job satisfaction, which is known to have a sig value of 0.212, which is greater than 0.05. The job satisfaction variable has a positive regression coefficient value, therefore, variable X2 has a partial positive but insignificant effect on employee work quality. This contradicts research conducted by Evi Citrawati (2021), which stated that job satisfaction has a positive and significant effect on employee work quality. Therefore, the third hypothesis in this study is rejected.

The influence of competence, compensation and job satisfaction on employee work quality

The influence of competence, compensation and job satisfaction on the quality of employee work shows the value of the f test or simultaneous test in this study is known if the sig value obtained is 0.003. The sig value obtained is smaller than 0.05 so it can be interpreted that simultaneously the variable X1, namely competence, variable X2, namely compensation, and X3, namely job satisfaction, have a significant effect on the variable Y, namely the quality of employee work. The fourth hypothesis in this study is accepted.

CONCLUSION

Competence has a significant effect on employee work quality, as indicated by a significance value of 0.005, which is lower than 0.05. The competency variable also shows a positive regression coefficient, indicating that higher competence contributes to improved employee work quality; therefore, the hypothesis is accepted. Furthermore, compensation has a partially positive and significant effect on employee work quality, with a significance value of 0.006, which is also lower than 0.05, and a positive regression coefficient, indicating that better compensation leads to higher employee work quality; thus, the hypothesis is accepted. In contrast, job satisfaction has a positive but insignificant partial effect on employee work quality, as reflected by a significance value of 0.212, which is greater than 0.05. Although the regression coefficient is positive, the effect is not statistically significant; therefore, the hypothesis is rejected. Simultaneously, competence, compensation, and job satisfaction have a significant effect on employee work quality at the Yogyakarta Appropriate Technology Development Center, as indicated by the F-test significance value of 0.003, which is lower than 0.05. Thus, the hypothesis stating that competence, compensation, and job satisfaction simultaneously influence employee work quality is accepted.

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