# Employees' Performance of Production Division in A Textile Firm in Indonesia

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## Abstract

This study aims to describe the effect of work motivation, competence, and job satisfaction partially and simultaneously on the performance of employees of PT Semesta Alam*) in the production department. The method used is a quantitative method, with a population of 400 respondents, using the Slovin formula with an error rate of 5%, obtained a sample of 200 respondents. SEM (Structural Equational Modeling) on students Lisrel 9.1 was used for data analysis. The data analysis technique of this study employs descriptive statistics. Based on the results of the normality test, it is found that the Skewness value is less than 2, and the Kurtosis value is less than 7. Thus, these results indicate that these values are normally distributed. In addition, the p-value of Skewness and Kurtosis is above 0.05. The results showed that, first, there was an effect of work motivation on job satisfaction with a coefficient of 0.34. Second, the influence of employee competence on job satisfaction with a coefficient of 0.35. Third, there is an effect of work motivation on employee performance with a coefficient of 0.09. Fourth, there is an influence of employee competence on employee performance with a coefficient of 0.26. fifth, there is an effect of job satisfaction on employee performance with a coefficient of 0.53. In addition, work motivation and employee competence can explain job satisfaction with a determination value of 0.28. Finally, work motivation, employee competence, and job satisfaction can explain employee performance with a determination value of 0.45.

## Keywords
Work motivation, employee competence, job satisfaction, employee performance.
PT Semesta Alam*) = Pseudonym

## 1. Introduction
Presently, there are many growing industries in Indonesia; one of them is the textile industry. According to constitution No. 05, the year 1984, regarding industrial affairs, the industry is an economic activity in processing raw materials or any other inputs to be finished goods that have value for customers. Meanwhile, textile refers to a process in transforming fiber to be yarn or fabric as the material of clothing. This research deals with the textile industry in Central Java, precisely in Semarang Regency, Tengaran Subdistrict. This area was selected by considering the following reasons.

The ministry of Industrial Affairs of the Republic of Indonesia boots the development of the manufacturing industry in Central Java with an export orientation. The textile industry in Central Java is one of the investment decisions of investors. Besides, Tengaran, for instance, has a meager unemployment rate because the number of factories or industrial areas is a lot. Indeed, the textile industry in Semarang regency absorbs many laborers (Merdeka.com, 8 April 2018).

In assessing employee performance, a company should set its appraisal standard properly. Hence, the performance assessment or appraisal will be objective for all employees. Performance appraisal aims to evaluate the performance in a certain period. Based on our observation, we obtain the following performance standard at company.

Table 1. Performance Appraisal Standard for Employees

| No | Category | Percentage (%) |
|---|---|---|
| 1 | Excellent | 86% - 100% |
| 2 | Good | 71% - 85% |
| 3 | Fair | 57% - 70% |
| 4 | Bad | 31% - 56% |
| 5 | Very Bad | ≤ 27% |

Source: Company data

Based on Table 1, it is evident that the company has set its performance appraisal standard. Using this standard, we could compare the performance results with the standard. Attached is a recapitulation of the company's annual performance.

Table 2. Results Employee Performance Appraisal

| No | Year | Appraisal Result | Category |
|---|---|---|---|
| 1 | 2015 | 64% | Fair |
| 2 | 2016 | 73% | Good |
| 3 | 2017 | 59% | Fair |

Source: Company data

Table 2 indicates the performance appraisal results in three years, starting from 2015 to 2017. From this data, we can see that employee performance in 2015 was in a fair category of 64%, and it increased by 9% to 73% (good) in 2016. The performance declined by 12% to 59% (fair) in 2017. This decline in employee performance indicated that there were several issues faced by the company.

According to the interview with an HRD senior of company, we found that the company did not expect a decline in employee performance. This decline was partially resulted by several employees who quitted from the company from 2015 to 2017. Besides, the decrease in employee performance during those periods was caused by the dissatisfaction and declining motivation among the employees. The followings are turnover data from 2015 to 2017.

Table 3. Employee Turnover Data from 2015 to 2017

| No | Year | Number of active employees | Incoming employees | Quitting employees | Total employee | Rate of turnover |
|---|---|---|---|---|---|---|
| 1 | 2015 | 450 | 12 | 27 | 435 | 5,8 |
| 2 | 2016 | 435 | 11 | 9 | 437 | 2,01 |
| 3 | 2017 | 437 | 7 | 37 | 400 | 5,4 |

Source: Company data

From Table 3, we can see that the number of employees who quitted in 2015 was 27 employees, and in 2016 was nine employees. The situation got worse in 2017 since the number of quitting employees increased to 37 employees. From these data, we can summarize that the number of quitting employees has increased. Based on this phenomenon that occurred at company, we are motivated to conduct a study by utilizing SEM. This method as several advantages, namely:

1. SEM enables us to test the structural model as well as the measurement model, as compared to path analysis and regression analysis, which can only test the structural model (Sarjono and Julianita 2015)
2. SEM allows us to test the measurement error as well as structural error, as compared to path analysis and regression analysis, which can only test the structural error (Sarjono and Julianita 2015)

### 1.1 Problem Formulations

Based on the explanation in the previous section, we formulated the problems in this study as follows:

1. To what extent work motivation and competence affect job satisfaction and employee performance partially?

2. To what extent work motivation and competence affect job satisfaction and employee performance simultaneously?

### 1.2 Objectives

The purpose of this study was to determine how much influence work motivation and competence have on job satisfaction and employee performance partially and simultaneously in the Production Division of Textile Companies in Indonesia.

## 2. Literature Review

### 2.1 Work Motivation

Motivation derives from the word 'motive' which means the power within an individual, enabling that individual to do any possible action. According to Hasibuan (2014), motivation is a trigger of want and activator of want of an individual because every motive has a particular goal to be achieved. According to Siagian (2014), motivation is a psychological condition that has supported, activated, driven and directed someone to behave and do something so he will make an effort to achieve his goals and organization goals. According to Kondalkar (2007), as cited by Hamali (2016), motivation is a burning spirit, resulted from the needs, wants, and willingness of somebody, which directs himself to exert his physical energy and mentality in achieving specific goals. Besides, according to Frederick Herzberg, as cited by Robbins & Judge (2012), intrinsic motivation factors are as follows:

Table 4. Dimensions and Indicators of Work Motivation

| Dimensions of Intrinsic Motivation | Indicators |
|---|---|
| Achievement | work achievement |
| Recognition | Giving appreciation letter |
| The Work It Self | Challenges at work |
| Responsibility | Self-planning for every task |
| Advancement | Opportunity to grow |

### 2.2 Competence

According to Fahmi (2014), competence is a valuable and marketable thing owned by an individual, which can be implemented in innovation and creativity. According to McAshan, as cited by Sutrisno (2014), competence is defined as the knowledge, skills, and abilities mastered by somebody, and those have been the part of that person. Thus, he can perform the cognitive, affective, and psychomotor action properly. According to Spencer and Spencer (1993), as cited by Sutrisno (2014), there are five dimensions of competence, and these are shown as follows:

Table 5. Dimensions and Indicators of Competence

| Dimension | Indicator |
|---|---|
| Knowledge | Education level |
| Skill | Expertise obtained from training for supporting the job |
| Experience | Task mastery based on experience |
| Self-concept | Appreciating time and effectiveness in the job |
| Character | Ability to interact and communicate |

### 2.3 Job Satisfaction

According to Handoko (1992), as cited by Sutrisno (2014), job satisfaction is an emotional state of an employee, either pleased or displeased in looking at his job. Besides, Sutrisno (2014) states that job satisfaction is employee behavior in looking at his job related to job situations, cooperation among employees, rewards, as well as physical and psychological factors. Based on these definitions, it can be summarized that job satisfaction relates to how an employee behaves in his job, resulted from his assessment of all situations at work. According to Smith, Kendall, and Hulin, as cited by Luthans (2006), there are several dimensions of job satisfaction, and these are essential in disclosing characteristics of a job. These dimensions are as follows:

Table 6. Dimensions and Indicators of Job Satisfaction

| Dimension | Indicator |
|---|---|
| Leader | A good relationship between superordinates and sub-ordinates |
| Opportunity to grow | Chance to obtain achievement and bright carrier |
| Employee relationship | A sense of kinship and caring fellows |
| Job itself | Love to the job itself |

## 2.4 Employee Performance

According to Awadh and Saad (2013), employee performance plays an essential role as the mainstay of an organization since it influences the development of the company excellently. According to Mangkunegara (2012), employee performance is the work result related to quality and quantity, which can be obtained by an employee in running a job under his responsibility. Besides, Robbins (2006) as cited by Munisamy (2013), states that employee performance can be measured by using several indicators as shown as follows:

Table 7. Dimensions and Indicators of Employee Performance

| Dimension | Indicator |
|---|---|
| Self-independence | 1. Ability to solve the problems independently |
| | 2. Commitment |
| Initiative | 1. Initiative related to flexibility in thinking |
| | 2. Responsibility for doing the work |
| Adaptability | 1. Ability to adapt to the environment |
| | 2. Ability to respond to any changes and any particular conditions |
| Cooperation | Ability to work together with other employees |

## 2.5 Framework

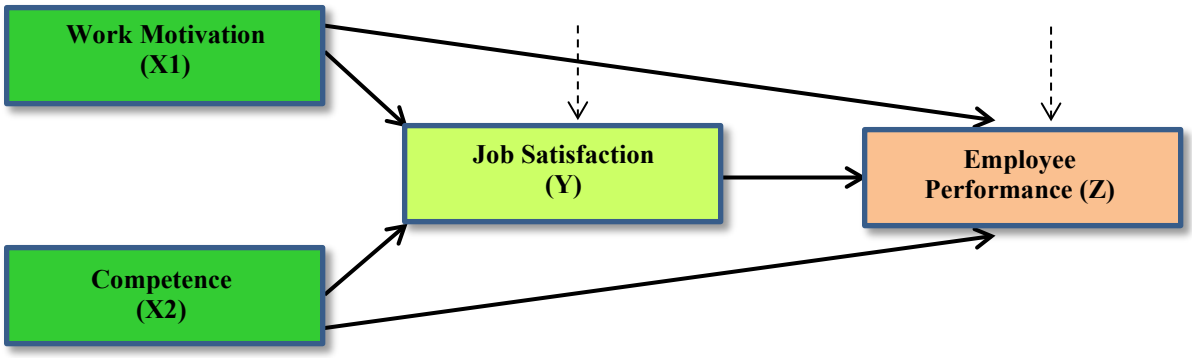



Figure 1. Research Model

Source: processed data

The Figure 1. Above shows the Research model.

## 3. Methods

According to Sugiyono (2016), a research method is a scientific way of obtaining data for obtaining specific purposes. The data analysis method used in this research is Structural Equation Modeling (SEM). According to Hox and Bechger, as cited by Sarjono and Julianita (2015), SEM is a multivariate technique developed to overcome the limitation in other conventional analysis models. SEM is widely used in research in various fields.

### 3.1 The scale of Variable Measurement

The scale used in this research is the Likert scale. Referring to Yamin (2014), the Likert scale is one of the most widely used and most manageable scales, especially in social research. This present study does not use five-point Likert scales (no neuter answer). Whereas, by referring to Garland as cited by Budiaji (2013), this study utilizes a four-point Likert scale because the five-point one may result in social bias. Social bias refers to the action of pleasing researchers by usually answering neuter answers or abstaining.

### 3.2 Population and Sample

According to Hadarai Nawawi, as cited by Echdar (2017), the population is the entire research object, which can include humans, animals, things, plantations, events, phenomena, and test results as the data source with the same characteristics. According to Nazir (2014), a sample is the collection of the sampling units. The population in this study is 400 respondents. Using the Slovin formula, we have determined that the number taken from the population is 200 respondents.

### 3.3 Data Collection and Data Analysis

Data in this study were collected through questionnaire disseminated to the research respondents. The data were then processed using the LISREL 9.1 program of the student version. As in any other quantitative research, this study analyzed the data after all the data were complete. The data analysis technique of this study employs descriptive statistics.

### 3.4 Normality Test

According to Sarjono and Julianita (2015), data can be said as normally distributed if the p-values of Skewness and Kurtosis are more than 0.05. The followings are the results of the normality test in this study.

## 4. Results and Discussion

### 4.1 Normality Test

According to Sarjono and Julianita (2015), data can be said as normally distributed if the p-values of Skewness and Kurtosis are more than 0.05. The followings are the results of the normality test in this study.

Table 8. Test of Univariate Normality for Continuous Variables

| Variable | Skewness | | Kurtosis | | Skewness and Kurtosis | |
|---|---|---|---|---|---|---|
| | Z-Score | P-Value | Z-Score | P-Value | Chi-Square | P-Value |
| MK1 | -0.585 | 0.559 | -0.936 | 0.349 | 1.218 | **0.544** |
| MK2 | -0.832 | 0.405 | 0.520 | 0.603 | 0.963 | **0.618** |
| MK3 | -1.009 | 0.313 | 0.857 | 0.391 | 1.753 | **0.416** |
| KK1 | 0.100 | 0.920 | 1.180 | 0.238 | 1.402 | **0.496** |
| KK2 | -0.340 | 0.734 | 0.561 | 0.575 | 0.430 | **0.807** |
| KK3 | -0.110 | 0.913 | -0.232 | 0.816 | 0.066 | **0.968** |
| KP1 | -0.750 | 0.453 | 1.145 | 0.252 | 1.873 | **0.392** |
| KP2 | -0.805 | 0.421 | 1.009 | 0.313 | 1.666 | **0.435** |
| KP3 | -0.080 | 0.936 | 0.635 | 0.525 | 0.410 | **0.815** |
| KN1 | -0.510 | 0.610 | 2.111 | 0.035 | 4.715 | **0.095** |
| KN2 | -0.524 | 0.600 | 1.502 | 0.133 | 2.529 | **0.282** |
| KN3 | -0.535 | 0.593 | 1.272 | 0.203 | 1.904 | **0.386** |
| KN4 | -0.018 | 0.985 | 0.865 | 0.387 | 0.748 | **0.688** |

Source: processed data using LISREL 9.1

Based on the normality test results above, we can see that the Skewness values are smaller than 2, and Kurtosis values are smaller than 7. Hence, these results show that the values are normally distributed. Besides, the p-values of Skewness and Kurtosis di are above 0.05.

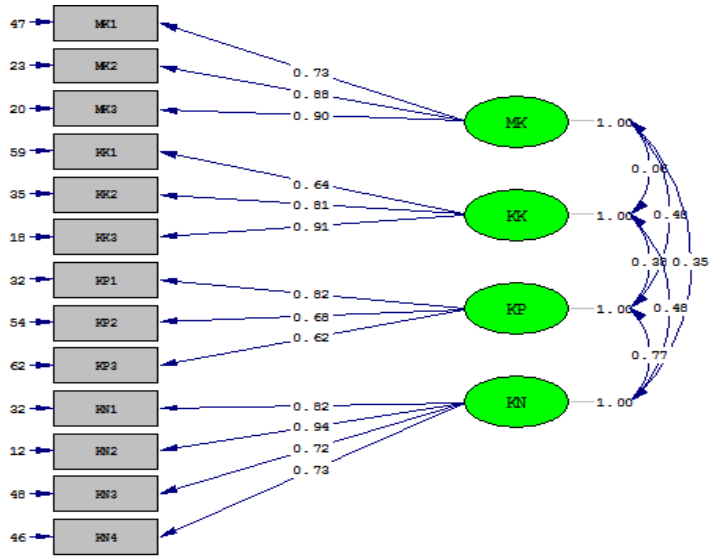
### 4.2 Multicollinearity Test

The subsequent test that we performed is the multicollinearity using Lisrel software, shown by the correlation matrix. The output of Lisrel software shows that multicollinearity is also in a good state because all values are smaller than 0.9.

### 4.3 Validity Test using Confirmatory Factor Analysis (CFA)

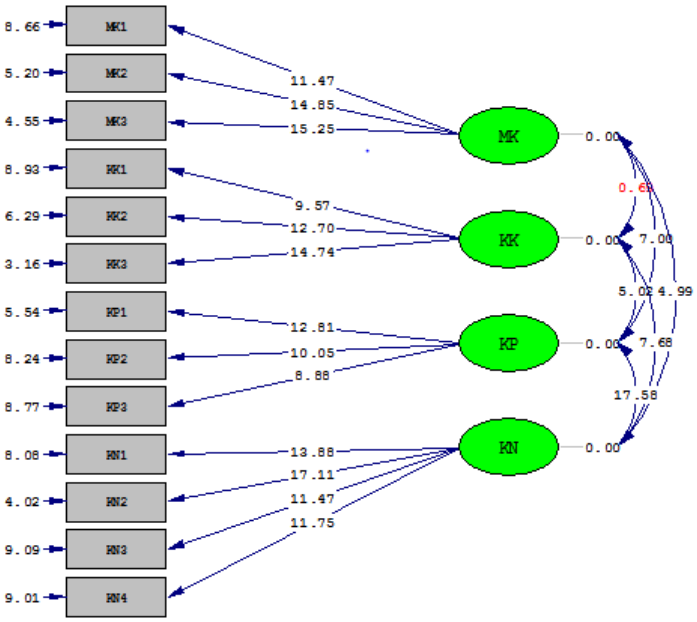
According to Ghozali and Fuad (2014), the loading values ranging from 0.50 to 0.60 show good validity. The following is the result of validity from LISREL 9.1 software in Figure 2. and figure 3.

Figure 2. Confirmatory Factor Analysis based on Standardized Solution Values




Chi-Square=808.61, df=59, P=value=0.00000, RMSEA=0.252

Figure 3. Confirmatory Factor Analysis based on the t-values



Chi-Square=808.61, df=59, P=value=0.00000, RMSEA=0.252

Table 9. Estimate Parameters of Standardized Loading Factor

| Variable | Loading Factor | $t_{calculated\_value} > 1.96$ | Summary |
|---|---|---|---|
| **MK** | | | |
| MK1 | 0.73 | 11.47 | Valid |
| MK2 | 0.88 | 14.85 | Valid |
| MK3 | 0.90 | 15.25 | Valid |
| **K** | | | |
| KK1 | 0.64 | 9.57 | Valid |
| KK2 | 0.81 | 12.70 | Valid |
| KK3 | 0.91 | 14.74 | Valid |
| **KP** | | | |
| KP1 | 0.82 | 12.81 | Valid |
| KP2 | 0.68 | 10.05 | Valid |
| KP3 | 0.62 | 8.88 | Valid |
| **KN** | | | |
| KN1 | 0.82 | 13.88 | Valid |
| KN2 | 0.94 | 17.11 | Valid |
| KN3 | 0.72 | 11.47 | Valid |
| KN4 | 0.73 | 11.75 | Valid |

Table 9. shows that the indicators of each variable are valid in representing the latent variables. It is because the values of loading factors of each indicator have a t-calculated value of more than 1.96 (Ghozali, 2014).

### 4.4 Construct Reliability

The reliability test indicates the consistency of a measurement tool in showing a relatively similar result if the measurement test is conducted on other objects. Reliability value is calculated using the standard formula of Construct Reliability (CR) as follows:

$$\frac{(\sum Standardized\ Loading)^2}{(\sum Standardized\ Loading)^2 + (\sum Measurement\ Error)}$$

In measuring Construct Reliability, the standardized loading factor and error variance are needed. The following is calculation results of Construct Reliability:

Table 10. Calculation Results of Construct Reliability (CR)

| Variable | Loading Factor | Loading Factor$^2$ | Measurement Error = (1-(Loading Factor)2) | ∑Loading Factor | (∑Loading Factor)$^2$ | ∑Loading Factor$^2$ | ∑ Measurement Error | Composite Reliability |
|---|---|---|---|---|---|---|---|---|
| **MK** | | | | | | | | |
| MK1 | 0.73 | 0.533 | 0.467 | 2.510 | 6.300 | 2.117 | 0.883 | 0.877 |
| MK2 | 0.88 | 0.774 | 0.226 | | | | | |
| MK3 | 0.90 | 0.810 | 0.190 | | | | | |
| **KK** | | | | | | | | |
| KK1 | 0.64 | 0.410 | 0.590 | 2.360 | 5.570 | 1.894 | 1.106 | 0.834 |
| KK2 | 0.81 | 0.656 | 0.344 | | | | | |
| KK3 | 0.91 | 0.828 | 0.172 | | | | | |
| **KP** | | | | | | | | |
| KP1 | 0.82 | 0.672 | 0.328 | 2.120 | 4.494 | 1.519 | 1.481 | 0.752 |
| KP2 | 0.68 | 0.462 | 0.538 | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| KP3 | 0.62 | 0.384 | 0.616 | | | | | |
| **KN** | | | | | | | | |
| KN1 | 0.82 | 0.672 | 0.328 | 3.21 | 10.3041 | 2.607 | 1.393 | 0.881 |
| KN2 | 0.94 | 0.884 | 0.116 | | | | | |
| KN3 | 0.72 | 0.518 | 0.482 | | | | | |
| KN4 | 0.73 | 0.533 | 0.467 | | | | | |

Source: Processed data using LISREL 9.1

Based on Table 10 shown above, it can be concluded that all variables are reliable because the values of composite reliability are all above 0.6.

### 4.5 The Goodness of Fit

To identify the goodness of fit of a model, we performed the goodness of fit test. The results are shown as follows:

Table 11. Measurement Results of Model Fit

| Fit Measure | Good Fit | Acceptable Fit | Results | Fit level |
|---|---|---|---|---|
| $\chi^2$/df | $0 \leq \chi^2 \leq 2\ df$ | $2df < \chi^2 \leq 3df$ | 61.654/39 = 1.581 | Good Fit |
| RMSEA | 0≤ RMSEA ≤ 0,05 | 0,05≤ RMSEA ≤ 0,08 | 0.0539 | Good Fit |
| GFI | 0,80 ≤ GFI ≤ 0,90 | | 0.958 | Good Fit |
| NFI | 0,95≤NFI ≤ 1,00 | 0,90≤NFI<0,95 | 0.976 | Good Fit |
| CFI | 0,97≤CFI≤1,00 | 0,95≤CFI<0,97 | 0.991 | Good Fit |
| IFI | IFI ≥ 0,90 | | 0.991 | Good Fit |
| RFI | Close to 1 | | 0.953 | Good Fit |

Source: Processed data using LISREL 9.1

### 4.6 Structural Test

The Figure 4. Displays the Structural equation modeling based on estimate values and Figure 5. Displays the structural equation modeling based on t-values.

Figure 4. Structural Equation Modeling based on Estimate Values

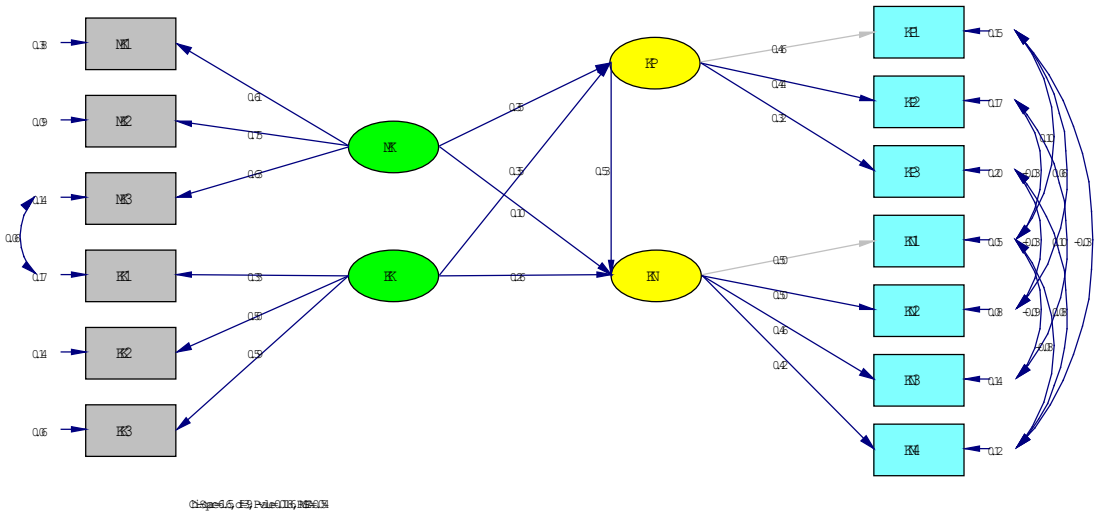
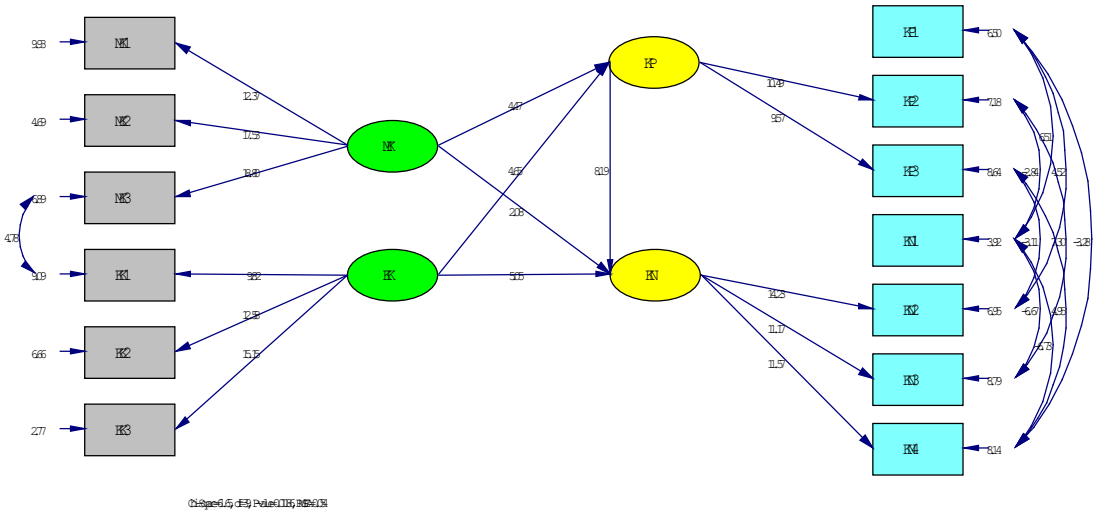


Figure 5. Structural Equation Modeling based on t-values




**Structural equation 1:**

KP = 0.345*MK + 0.354*KK, Errorvar.= 0.741 , $R^2$ = 0.259

| | | | |
|---|---|---|---|
| Standerr | (0.0775) | (0.0764) | (0.120) |
| Z-values | 4.458 | 4.635 | 6.170 |
| P-values | 0.000 | 0.000 | 0.000 |

In the first structural equation, we find that the value of the determination coefficient ($R^2$) is 0.259. It means that work motivation (MK) and competence (KK) could explain job satisfaction (KP) by 26%. The rest of the job satisfaction variable is explained by other variables, aside from work motivation and competence.
In the first structural equation, the effect of work motivation (MK) on job satisfaction (KP) is represented by the coefficient of 0.35 and the t-calculated value of 4.46 (larger than 1.96). These mean that there is an effect of work motivation (MK) on job satisfaction (KP). Hence, **Ha is accepted**.
In the first structural equation, we can also see that the effect of competence (KK) on job satisfaction (KP) is represented by the coefficient of 0.35 and the t-calculated value of 4.46 (larger than 1.96). These mean that there is an effect of competence (KK) on job satisfaction (KP). Therefore, **Ha is accepted.**

**Structural equation 2:**

KN = 0.533*KP + 0.0992*MK + 0.263*KK, Errorvar.= 0.491 , $R^2$ = 0.509

| | | | | |
|---|---|---|---|---|
| Standerr | (0.0652) | (0.0479) | (0.0522) | (0.0782) |
| Z-values | 8.172 | 2.073 | 5.033 | 6.278 |
| P-values | 0.000 | 0.038 | 0.000 | 0.000 |

In the second structural equation, we find that the value of the determination coefficient ($R^2$) is 0.509. It means that the work motivation (MK), competence (KK), and job satisfaction (KP) could explain employee performance (KN) by 51%. The rest of the employee performance variable is explained by other variables outside this model.
In the second structural equation, we also find that the effect job satisfaction (KK) on employee performance (KN) is represented by the coefficient of 0.53 and t-calculated value of 8.17 (larger than 1.96). These mean there is an influence of job satisfaction (KK) on employee performance (KN). Hence, **Ha is accepted**.

In the second equation, we also find that the effect of work motivation (MK) on employee performance (KN) is represented by the coefficient of 00.9 and t-calculated value of 2.07 (larger than 1.96). These indicate that work motivation (MK) affects employee performance (KN).
Based on the results of the second equation, we can see that the influence of competence (KK) on employee performance (KN) is represented by the coefficient of 0.26 and the t-calculated value of 6.27 (larger than 1.96). These results indicate that competence (KK) affects employee performance (KN). Thus, **Ha is accepted**.

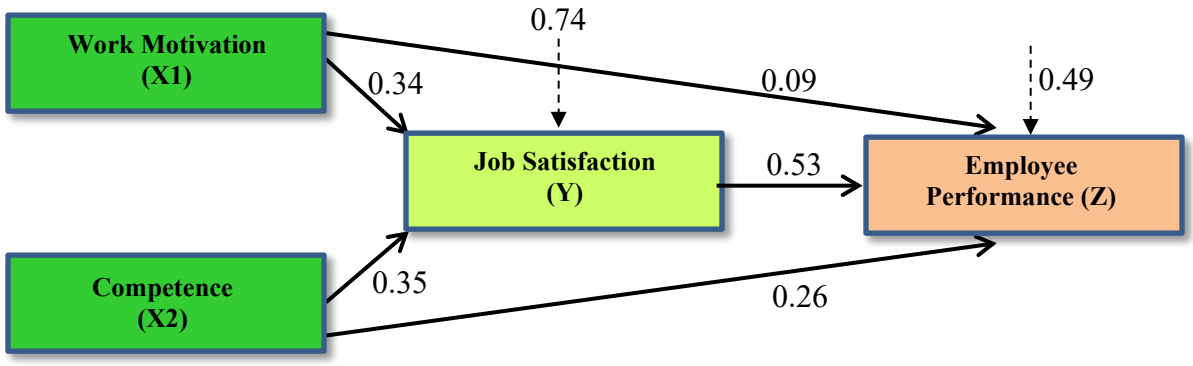
Table 12. Direct Effect, Indirect Effect, and Total Effect

| Path | Direct Effect | Indirect Effect | Total Effect |
|---|---|---|---|
| Work Motivation → Job Satisfaction | 0,34 | - | 0,34 |
| Competence → Job Satisfaction | 0,35 | - | 0,35 |
| Work Motivation → Employee Performance | 0,09 | 0,18 | 0,28 |
| Competence → Employee Performance | 0,26 | 0,18 | 0,45 |
| Job Satisfaction → Employee Performance | 0,53 | - | 0,53 |

Source: Processed data

### 4.7 Research Implication Statistically

Figure 6. Research Results Statistically




Source: Processed data
The figure 6. Displays the Research results satistically.

1. **The effect of work motivation on job satisfaction**
   Based on the structural equation, we can see that there is a relationship between work motivation (X1) and job satisfaction (Y). The regression results show that work motivation (X1) affects job satisfaction (Y), indicated by the coefficient value of 0.34 and t-calculated value of 4.45 (larger than 1.96). Hence, **Ha is accepted.**
2. **The effect of competence on job satisfaction**
   From the first structural equation, it can be seen that there is a relationship between competence (X2) and job satisfaction (Y) as the mediating variable. The regression results show that competence (X2) affects job satisfaction (Y), indicated by the coefficient value of 0.35 and t-calculated value of 4.46 (larger than 1.96). Thus, **Ha is accepted.**
3. **The effect of work motivation on employee performance**
   From the second structural equation, it can be seen that there is a relationship between work motivation (X1) and employee performance (Z). The regression results show that work motivation (X1) affects employee performance (Z), specified by the coefficient value of 0.09, and the t-calculated value of 2.07 (larger than 1.96). Thus, **Ha is accepted.**
4. **The effect of competence on employee performance**
   From the results of the second equation, we find that there is an influence of competence (X2) on employee performance (Z), indicated by the coefficient value of 0.26 and the t-calculated value of 6.27 (larger than 1.96). These results indicate that competence (X2) affects performance (Z) of employees. Therefore, **Ha is accepted.**

5. **The effect of job satisfaction on employee performance**
   The second structural equation indicates that there is an influence of job satisfaction (Y) on employee performance (Z), indicated by the coefficient value of 0.53 and t-calculated value of 8.17 (larger than 1.96). These imply that **Ha is accepted**.
6. **The effect of work motivation on employee performance through job satisfaction.**
   From the structural equation, we find that the determination coefficient ($R^2$) is 0.259, meaning that work motivation (X1) and competence (X2) could explain the job satisfaction variable (Y) by 26%. Other factors outside this model explain the rest of 74% of job satisfaction.
7. **The effect of competence on employee performance through job satisfaction.**
   The second structural equation of this study shows the determination coefficient ($R^2$) is 0.509, meaning that work motivation (X1), competence (X2), and job satisfaction (Y) could explain employee performance (Z) by 51%. Other factors outside this model explain the rest of 49% of employee performance.

## 5. Conclusion

### 5.1. The effect of work motivation on job satisfaction

Motivation positively affects job satisfaction with the coefficient value of 0.34 and the t-calculated value of 4.46. This result is realized by the management since work motivation, such as job promotion, has been the parameter in improving job satisfaction. Job promotion is the goal of every employee. In addition to job promotion, bonuses and life insurance also affect job satisfaction. Employees will be satisfied if the company provides their physical needs, appreciation, and safety. Those factors, therefore, need to be paid attention to by the company.

### 5.2. The effect of competence on job satisfaction

Competence has a positive effect on job satisfaction with the coefficient value of 0.35 and the t-calculated value of 4.64. The management realizes this result because employee competence is the result of training and education as well as working experience supporting employees' competence. Training enhances the skills of employees needed in their work. Thus, the company needs to provide equal opportunities to its employees to attend training.

### 5.3. The effect of work motivation on employee performance

Motivation has a positive influence on employee performance with a coefficient value of 0.09 and the t-calculated value of 2.07. The management realizes this result because so far, the motivation provided to the employees was minimum. Seeing this fact, the company must increase the motivation of employees by first maintaining the relationship and communication, especially between leaders or superordinates with employees or subordinates. This action is expected will increase the motivation of employees and finally increase their work performance. The motivation of employees is also supported by bonuses, job promotions, and guarantee or safety aspects at work.

### 5.4. The effect of competence on employee performance

Competence positively affects employee performance with a coefficient value of 0.26 and the t-calculated value of 6.27. The management realizes this result since the employees with more working experience have a higher performance. Thus, it is necessary to increase the performance of the employees who have minimum experience by, for instance, conducting skill training.

### 5.5.The effect of job satisfaction on employee performance

The job satisfaction positively affects employee performance with the coefficient value of 0.53 and the t-calculated value of 8.17. This result is considered a sensible result by the management. The most dominant factor which affects employee performance is opportunities to attain carrier achievement. In addition to the chances of getting achievement at work, a good and harmonious relationship among employees also contributes to job satisfaction. Another factor that may affect is the fair treatment from the superordinates to the subordinates or employees.

### 5.6. The effect of work motivation on employee performance through job satisfaction

Work motivation has a positive effect on employee performance through job satisfaction with the coefficient value of 0.259. It means that happy employees, while doing their work or afterward, will be motivated to make the extra effort and have a better performance.

**5.7. The effect of work motivation, competence and job satisfaction on employee performance**

Competence has a positive effect on employee performance through job satisfaction, as shown by the determination coefficient of 0.51 (51%). The management realizes this result because competence is indeed an essential part of a job. In means the competent workers will tend to have more comfort when doing their job, resulting in better performance expected by the company. Competence has been the parameter in assessing employee performance. Hence, any company should pay close attention to the factors which contribute to boosting the competence of its employees.

### 5.8. Research Limitation

This research only includes employees from the production division of a textile company. The number of samples is relatively small, namely 200 employees. Thus, the result of this study might not be used to generalize the whole firms in the textile industry.

### 5.9. Further Research

Further research may study employees from other divisions, not just from production division in a textile company. However, it would be even better if the study also compares a company with other textile companies, at least three companies.

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