**The Influence of Competency, Work Environment on Work Engagement and Job Satisfaction**

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|  | **A B S T R A C T***This study aims to determine the competence and work environment on job engagement and job satisfaction of employees for PT. Yamaha Music Manufacturing Indonesia. The sample in this study was 100 contract employees, using purposive sampling technique. The analysis used is SEM PLS research to test the Inner model, outer model and hypotheses. The results of the study stated: (1) Competence has an effect on work engagement by 55.2%. (2) The work environment has an effect on work engagement by 39.1%. (3) Competence has an effect on job satisfaction by 36.2%. (4) The work environment has an effect on job satisfaction by 35.2%.**Keywords:****Competence, Work Environment, Work Engagement, Job Satisfaction***.  |

**INTRODUCTION**

Job satisfaction often depends on how well the results are met or live up to expectations (Kambey and Trang, 2016). The problem facing the company is how to create and manage employees in the company to increase their satisfaction with their work. To achieve the highest level of employee job satisfaction, the company certainly has an important task to develop by paying attention to helping to measure employee job satisfaction.

According to Kembau, Sendow, and Tawas (2018) in simple terms, job satisfaction is defined as a person's feelings about work. The nature of job satisfaction itself is very individual, which means that the view of feeling satisfied between an individual and another individual will be very different. According to (Robbins P and Judge 2015) states that there are four response actions that will be taken by employees as a result of the level of satisfaction they have, namely: leaving, behaving actively, loyal, indifferent.

According to Bakker in Pranitasari (2019), work engagement is an active and positive work-related statement characterized by enthusiasm, dedication**,** and acceptance. According to Pranitasari and Rozaq (2019), work engagement is the degree to which employees perceive their work, actively participate in the workplace, and identify outcomes that are important to them. Employees with a high level of work engagement are identified by a high level of interest in work, a sense of psychological connection to work, and a strong belief in their ability to get the job done (Coulter, 2016).

Many factors affect job satisfaction, one of which is the work environment (Khuzaimah, 2017). Competence is A person's basic traits (individuals) influence thinking and behavior, generalize all situations, and last long enough in humans. Pranitasari et al. , (2019), the work environment includes communication patterns, harmonious work relationships, dynamic work environments, career opportunities, and clear job descriptions that challenge the right work environment.

Research on job satisfaction and work engagement has been widely carried out by researchers, including Khuzaimah (2017) shows that the variables of career development, skills and working environment have a significant influence on job satisfaction. Arimbawa & Giantari (2019) shows that non-monetary compensation variables, actual working environment and competence have a positive impact on job satisfaction. Kembau et al. (2018) shows that the job engagement and competence have a significant simultaneous effect on job satisfaction. Pranitasari & Rozaq (2019) conducted work engagement research and proved that teamwork, career development and self-development are important factors to encourage employee job engagement. Arimbawa & Giantari (2019) produced a study which stated that financial compensation, physical working environment and competence affect job satisfaction. Renyut et al. (2017) resulted in a research conclusion that organizational commitments have a positive and significant effect on job satisfaction, while organizational commitment has a positive and insignificant effect on employee performance. Agbozo et al. (2017) with the results of environmental research having an important influence on employee satisfaction. Saeed & Nasir (2016) with research results showing that has the effect of working environment on motivation and the influence of motivation on job satisfaction and motivation mediates between work environment and job satisfaction.

Based on the above background, one can conclude that employees who work with good competence, create a harmonious work environment, will achieve the target of the company's vision and mission. Therefore, researchers are interested in investigating the impact of competence and work environment on employee engagement and job satisfaction. The research was conducted on employees of PT. Yamaha Music Manufacturing Indonesia due to various problems in work engagement and job satisfaction of employees, especially for contract employees. In addition, employees and their environment are required to always be disciplined considering the increasingly fierce competition in the industrial business world in the field of musical instruments. PT. Yamaha Music Manufacturing Indonesia is one of the largest industrial companies in the field of musical instruments, so it has thousands of employees and produces millions of musical instruments. With that many employees, the company must have competent employees, so that an employee can help other employees to have high work engagement. With good work engagement, a comfortable and safe work environment will be created in carrying out their work.

**RESEARCH METHODS**

The study was carried out on on employees of PT. Yamaha Music Manufacturing Indonesia, especially for contract employees, here the researcher wants to know how the job satisfaction of contract employees is. The population is all employees of PT Yamaha Music Manufacturing Indonesia, totaling 2400 employees for the period March 2021. The sampling technique used is purposive sampling. Purposive sampling is a technique for extracting data sources considering specific factors. (Sugiyono, 2017). The consideration used was agency workers, and the sample for this survey is set to 100 employees.

In the preparation of indicators and research instruments for job satisfaction variables are Luthans in Novita et al., (2016), Pangemanan et al., (2017), Pranitasari & Saputri (2020); competence are Meidita (2019), Berlian (2018) and Khuzaimah (2017); work environment are Pranitasari & Saputri (2020), Pranitasari et al. (2018), Elizar & Tanjung (2018); work engagement are Pranitasari & Rozaq, (2019), Pranitasari (2019), Kembau et al. (2018). The indicator variables of this study are presented in Table 1 **.**.

Table 1. Research indicators

| Variable | Indicators |
| --- | --- |
| Job Satisfaction | the work itselfwages, promotionssupervisioncolleagues |
| Competence | KnowledgeSkillswork attitudesspeechbehavior |
| Work Environtment | LightingTemperatureAirNoiseodors in the workplacespace requiredwork securityemployee relations |
| Work engagement | VigorDedicationAbsorption |

The data analysis method for this study used Structural Equation Modeling (SEM). It is a multivariate analysis method that combines regression analysis to analyze latent variables and factor analysis to analyze indicators (Sanjiwani et al., 2015). The reason to use SEM analysis method is because this analysis method can know how the relationship between latent variables occurs and also how indicators of latent variables are formed. Which training metrics dominate and to what extent can the latent variables explain the fluctuations in the training metrics. This deepens the discussion that can be made in this study. In addition, the data processing uses the partial least squares structural equation model (PLS-SEM) software.

Outer model or measurement model analysis outer model analysis is done by viewing:

1. Indicator validity

1. Convergent validity, that is, the value of the factorial load on the latent variable and its indices. The convergence value is seen from the load value of the factor. As a rule of thumb, the factor load value is 0.5 (Hair, 2017) (Monecke and Leisch, 2012) but some experts say the minimum rule is 0.4 (Haryono, 2017). For Average Variance Extracted (AVE) was used 0.5 (Jogiyanto, 2015).
2. Discriminant validity, the value of factorial load verifies whether a structure is good discriminant by comparing the factorial load of the desired structure more than the factorial load of other structures.

2. Constructive reliability, a measurement or measurement of a measuring instrument that is consistent when performed with a measuring instrument performed repeatedly. The evaluation of reliability score of the work is measured by Cronbach's alpha coefficient and composite reliability score. The general rule for Cronbach's alpha value is 0.6 and the combined confidence level is 0.7.

Structural modeling or internal model analysis including path coefficients between structures and goodness of fit (GoF). GoF, represents the overall model fit calculated from the sum of the remaining squares of the predicted model compared with the actual data. The constellation pattern between the variables in this study can be seen in Figure 1.

**Competence (X1)**

**Work engagement (Z)**

**Job Satisfaction**

**(Y)**

**Work Environment**

**(X2)**

Figure 1. Research Framework

1. **RESULTS & DISCUSSION**

Respondents are contract employees of PT. Yamaha Music Manufacturing Indonesia with the following description: 63% of the majority age is 20 – 30 years, 58% of the gender are male, and 41% of the majority have 1 – 5 years of service.

**3.1. Outer Model Analysis**

Data calculations were carried out 2 times to obtain convergent and discriminant validity.

 **Figure 2.** Results of Data Processing II

From Figure 2 above, the largest loading factor value on the job satisfaction variable (Y) is contained in the KK6 indicator of 0.762 which contains the statement "I am happy with promotions (promotions) that often occur in the company", on the work engagement variable (Z) contained in the indicator KP7 of 0.849 which contains the statement "Knowledge that I have can help in improving employee performance", on the competence variable (X1) contained in the KT1 indicator of 0.798 includes statement "The work I am engaged in is interesting for me", and on the work environment variable (X2) is contained in the LK8 indicator of 0.761 which contains the statement "Air conditions in the work environment provide comfort to me while working".

From the results of composite reliability (CR) because It is best to estimate the internal consistency of a structure and the value of the composite confidence (CR) value should be greater than 0.7, but a value of 0.6 is still acceptable (Jansen, 2019). On this basis, the configuration must be reliable if the composite reliability (CR) value is > 0.7. Based on Table 1, the obtained results show that the composite reliability value for each variable is greater than 0.7, we can conclude that each variable in the study is declared reliable.

**Tabel 2.** *Composite Reliability*

| **Variable** | ***Composite Reliability*** | ***Rule of Thumb*** | **Conclusion** |
| --- | --- | --- | --- |
| Job Satisfaction (Y) | 0.891 | 0.700 | Reliable |
| Work engagement (Z) | 0.912 | 0.700 | Reliable |
| Competence (X1) | 0.923 | 0.700 | Reliable |
| Work Environment (X2) | 0.914 | 0.700 | Reliable |

*(Source: data processing, 2021)*

**3.2. Inner Model Analysis**

In this study, the fit model is seen from the NFI (Normed Fit Index) value which is a comparison measure between the null model and the model that has been formed. The NFI value itself varies from 0 (no fit at all) to 1.0 (perfect fit). Capital will be declared perfect fit if it is close to number 1 (Ghozali 2017). Based on this, the NFI value is at 0.515, which means the model is declared to have a sufficient fit.

The inner model or also called the inner relation is a description of Relationships between latent variables (structural model). Structural models with indicator variables can use R-square to evaluate the importance of dependent structures and ttest, and coefficients of structural path parameters. R-square itself is used to measure the extent to which the model can explain the variation of the dependent variable (Ghozali 2017). The R-Square value for endogenous latent variables in a structural model is identified that the model is good if the value is 0.67, the model is moderate if the value is 0.33, and the model is weak if the value is 0.19.

**Table 3.** *R Square Coefficient*

|  |  |
| --- | --- |
|  Variabel | R *Square* |
| Job Satisfaction (Y) | 0.587 |
| Work engagement (Z) | 0.760 |

 *(Sumber: data processing, 2021)*

Based on table 4 above, we know that the R-squared value on the variable of job satisfaction (Y) is 0.587, which means that the change in job satisfaction (Y) is affected affected by competence (X1) and work environment (X2) 58.7% while the rest 41.3% is influenced by other factors. Based on this, the R-squared value on the job satisfaction variable (Y) is said to be moderate to close to good. Furthermore, the squared R value on the job engagement variable (Z) is 0.760, which means that variations or changes in work engagement (Z) are influenced by competence (X1) and work environment (X2) are 76% while 24%% are affected by other factors. Based on this, the value of R-squared on the work engagement variable (Z) is said to be good because it is close to 1.The results of direct and indirect hypothesis testing are presented in the Table 4.

**Table 4**. *Direct Effect* to Job engagement(Z)

| **Effect** | **T Statistics (|O/STDEV|)** | **Conclution** |
| --- | --- | --- |
| Competence 🡪 Work engagement | 7.217 | Significant |
| Work Environment 🡪 Work engagement | 4.935 | Significant |
| Competence 🡪 Job Satisfaction | 2.273 | Significant |
| Work Environment 🡪 Job Satisfaction | 3.312 | Significant |
| Work engagement 🡪 Job Satisfaction | 0.756 | Not Significant |
| Competence 🡪 Work engagement 🡪 Job Satisfaction | 0.749 | Not Significant |
| Work Environment 🡪 Work engagement 🡪 Job Satisfaction | 0.717 | Not Significant |

0.362

0.122

0.552

0.391

0.352

 **Figure 3.** Path Coefficient

From Table 5 and Figure 3 above, it is known that Competencies have a direct impact of 55.2% on work engagement. In other words, increasing the competence of employees increases their engagement in their work. This is consistent with the research of Renyut et al. (2017), Meidita (2019), Murgianto et al. (2016).

The work environment has a direct impact of 39.1% on work engagement. In short, a more supportive work environment improves employee work engagement. This is consistent with the study of Agbozo et al. (2017), Aisyaturrido et al. (2021), Kambey & Trang (2016), Pranitasari et al. (2019).

Competence has a direct impact of 36.2% on job satisfaction. The higher the employee's competence, the higher the job satisfaction. This is in line with the research of Kembau et al. (2018), Berlian (2018), Nasrul et al. (2020).

The work environment has a direct impact of 35.2% on employee job satisfaction. In other words, the more the work environment is promoted, the more satisfied the employee's work will be. This is in line with the research of Pranitasari et al. (2018).

Work engagement has no effect on job satisfaction. This means that employee job satisfaction is not determined whether the employee has vigor, dedication or absorption in carrying out his work. This is not in line with the research of Kembau et al. (2018).

Competence has no effect on job satisfaction through work engagement. This means that work engagement does not mediate competence and job satisfaction, employees can be satisfied at work because they have competence. The work environment does not affect job satisfaction through work engagement. This means that work engagement does not mediate the work environment and job satisfaction, employees can be satisfied working because of a conducive work environment.

**CONCLUSION & SUGGESTION**

1. Competence has a significant effect on work engagement by 55.2%. That is, with better competence, employee work engagement will increase.

2. The work environment has a significant effect on work engagement by 39.1%. That is, with a more comfortable work environment, employees will increase their work engagement.

3. Competence has a significant effect on job satisfaction by 36.2%. That is, with better competence, employee job satisfaction will increase.

4. The work environment has a significant effect on job satisfaction by 35.2%. That is, with a more comfortable work environment, employee job satisfaction will increase.

5. Work engagement only has an effect of 12.2% so it can be concluded that work engagement has no significant effect on job satisfaction. That is, the higher or lower the work engagement, the less affect their job satisfaction.

6. Work engagement does not mediate competence in influencing job satisfaction.

7. Work engagement does not mediate the work environment in influencing job satisfaction.

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