

How Quality of Work Life and Competency Mapping Affect Job Satisfaction and Performance at Production Division at PT. XYZ Indonesia

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Keyword	Abstract
<p>Competency Mapping, Employee Performance, Job Satisfaction, Quality of Work Life</p>	<p><i>This study aims to analyze the influence of quality of work life and competency mapping on job satisfaction and their impact on employee performance in the production division of PT. XYZ Indonesia. PT. XYZ Indonesia specializes in manufacturing steering systems, bearings, drive-line components, equipment, and machinery for automobiles, emphasizing competitive advantages and human resources. This associative research employs path analysis to examine the relationships between variables. Data were collected through questionnaires and literature, with a survey method used to distribute questionnaires to employees of PT. XYZ Indonesia, who served as respondents. The study seeks to provide insights into how improving work life quality and competency mapping can enhance job satisfaction and subsequently improve employee performance, offering valuable guidance for organizational development and human resource strategies.</i></p>

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I. Introduction

There is an increasing level of intense worldwide competition among corporations. One effective strategy for thriving and emerging victorious in a competitive environment is to possess high-caliber human capital and consistently strive to enhance the proficiency and competence of this human capital (Hasanah & Sunarti, 2022; Rahsel & Gumanti, 2022). Human resources are a valuable asset and play a pivotal role in the accomplishment of company objectives (Ochieng, 2023). Hence, it is critical for organizations to effectively oversee their human resources by cultivating high-quality individuals equipped with proficient abilities and a strong competitive edge in the worldwide arena (Hoichuk & Lyubomudrova, 2024; Palupi et al., 2022).

When competing against rivals, a company must possess distinctive strengths that allow it to effectively contend with other firms. This is further corroborated by the fact that a company cannot be detached from human labor, despite having substantial capital and advanced

technology (Anastasiu et al., 2020; Wilson & Vuksanović Herceg, 2022). Even with technological advancements, the company's objectives cannot be accomplished without the support of human resources (Kirana et al., 2023; Manekar, 2024).

By implementing strategic human resource planning, it is possible to optimize the performance of current staff. This will be achieved if the company implements modifications. One approach that is being implemented is to enhance the quality of work life (QWL) (Jaya Priya & Sabari, 2023; Ooi et al., 2013). Herewith, employees will experience a sense of fulfillment and ease in their work environment, hence fostering enhanced performance inside the firm (Ardika et al., 2021). Company personnel are capable of fulfilling all material and psychological requirements, enabling them to contribute directly to the company's objectives. In addition, by implementing meticulous strategic planning and investing in high-quality facilities and infrastructure, organizations may effectively enhance the capabilities of their personnel (Arulsamy et al., 2023). This can be achieved by

offering comprehensive support and optimal placement opportunities, thereby ensuring that employees' competences are utilized to their fullest potential (Davidescu et al., 2020). Competencies refer to the combination of knowledge, skills, and behaviors that enable someone to perform their work with effectiveness and efficiency (Wong, 2020). A competency is a characteristic that can effectively express the proficiency with which a job can be accomplished. In order to optimize the competencies of corporate personnel, it is essential to assign them to suitable tasks and establish a comprehensive list of competences required for the proper execution of their current responsibilities (Vathanophas, 2006).

II. Literature Review And Hypotheses Development

Competency mapping, as defined by Yuvaraj (2011 in (Mukherjee et al., 2021)), is the systematic process of defining the essential skills and abilities required for a firm or organization, as well as the specific roles and responsibilities inside it. Therefore, competency mapping holds significant importance for organizations and corporations. This tool enables the identification of employees' strengths and shortcomings, allowing them to have a comprehensive understanding of their own talents. Consequently, employees are empowered to fulfill their jobs effectively. Competency mapping is a valuable tool for identifying the specific skills and behaviors that a person possesses in relation to their role inside the firm. Managers can utilize competency mapping to identify employees with potential (Kumar & Bhanu, 2022).

Every endeavor undertaken by individuals in a firm is inherently driven by personal objectives to satisfy their needs. People engage in work with the expectation of receiving incentives or pay, which they can utilize to fulfill their requirements and enhance their overall work experience. Human needs are heterogeneous and differ from one to individual. Considering job satisfaction and quality of work life might lead to an increase in employee performance (Alsoub, 2022; Dhamija et al., 2019).

Given the significant impact of HR on a company's advancement, it is crucial for organizations to prioritize factors that can uphold and potentially enhance employee satisfaction and performance. Companies must possess the ability

to discern employee requirements in order to ensure that employee performance consistently yields a favorable influence on the organization (Alharbi et al., 2022; Dubisetty & Reddy K, 2021). PT. XYZ Indonesia is a subsidiary of a corporation, a Japanese company headquartered in Nagoya and Osaka. It is now expanding its operations by developing a facility in the Karawang industrial district of West Java. PT. XYZ Indonesia primarily engages in the production of steering systems, bearings, drive line components, and machine tools specifically designed for automobiles. The production sector has a total of 317 personnel.

Basically, human resources play a crucial role in enabling a manufacturing production organization to fulfill its objectives. Specifically, the human resources within the production division who are directly involved in the manufacturing and production of items. Competent human resources are decisive in the sector of manufacturing output (Blaga, 2020; Nzoka, 2015). Hence, PT. XYZ Indonesia must possess the ability to recognize the primary core competencies and challenges within the organization, in order to enhance employee performance and effectively fulfill the company's objectives.

According to an interview with a manager at PT. XYZ Indonesia, production employees have made several complaints about their working hours, including unscheduled overtime. They have also expressed dissatisfaction with the compensation and benefits they receive, which do not align with the hours they work. Additionally, there have been temporary work transfers to meet production targets. These factors can potentially impact employee performance in the production division of PT. XYZ Indonesia.

When it comes to working hours beyond the regular schedule and inadequate compensation for those extra hours, the variable of work life quality has been selected as a benchmark for employers to prioritize the well-being of their employees (Fein et al., 2017; Fontinha et al., 2019). Regarding the temporary transfer of employment, the variable chosen for assessing competencies was competency mapping. The corporation implemented this measure to address the areas where the production goal was not met. However, this approach proved to be ineffective as it was evident from the failure to accomplish the production objective. Below is the

comprehensive production data for PT. XYZ Indonesia for three consecutive years.

Table 1. Production data of PT XYZ Indonesia.

Yrs	Total Production	Target Production	Realization (%)
1	1.516.976 pcs	1.800.000 pcs	84.2 %
2	1.781.568 pcs	2.000.000 pcs	89.1%
3	1.512.466 pcs	1.900.000 pcs	79.6%

In addition, the consideration on job satisfaction can significantly impact the management of human resources inside a corporation. When an employee has job pleasure, they will exert maximum effort and utilize their full capabilities to successfully accomplish assigned tasks. By adopting this approach, staff performance will be maximized (Mira et al., 2019). Hence, it is vital to assess employee job satisfaction as it serves as a determinant that impacts employee performance (Javed et al., 2014; Nurhidayati et al., 2022). The subsequent data presents the preliminary findings of a survey conducted on employee contentment within the production department and overall production at PT. XYZ Indonesia.

Table 2. Survey of Contentment About the Work

	Unsatisfied	Satisfied	Not fill
Percentage	58%	38%	4%
Total	185	121	11

The findings of the preliminary study conducted among the workforce in the manufacturing division of PT. XYZ Indonesia, which consists of 317 individuals, shows that 58% or 185 employees expressed dissatisfaction, while 38% or 121 individuals reported being satisfied. This indicates that a majority of the employees in the production division continue to experience dissatisfaction with their work at the company. Employees that experience job dissatisfaction at the organization may have various reasons, including discontentment with their wage, an uncomfortable work atmosphere, and unhappiness with job promotions. Studying this dissatisfaction is important since it might impact employees' emotions and then lead to a decrease in their performance at PT. XYZ Indonesia. Those who did not fill the survey was 11 individuals, which equivalent to 4%. This figure showed a positive indication, that employees still demonstrate discipline in attending work.

Performance is evaluated based on the outcomes accomplished in respect to specified duties and the general objectives of the firm. Optimal employee performance is crucial for the

prosperity of the firm. Hence, it is necessary for executives to closely monitor and evaluate staff performance, as it plays a pivotal role in achieving the company's objectives.

Meanwhile, what has been seen so far in the work environment of PT. XYZ Indonesia in the production division still has employees who have not mastered their work, such as the level of understanding is still lacking, the quality and quantity of work is not optimal, and job development and training is still minimal. For this reason, related to the importance of quality of work life and competency mapping on job satisfaction and performance, as stated by previous researchers, companies should know how employees perceive competency mapping and quality of work life. This can be useful for companies in improving employee performance.

If competency mapping has not been used effectively and the quality of work life has not been implemented properly by the company, this can make employees not understand the goals of the company and themselves, which will result in a decrease in feelings of satisfaction at work and have an impact on decreasing employee performance every year. This will be very detrimental to the company, if it is allowed to continue, the company will not be able to survive in this intense global competition.

Based on the preceding given information, the research purposed can be developed as follows: (1). To determine the influence of Quality of Work Life on Job Satisfaction, (2). To determine the influence of Competency Mapping on Job Satisfaction, (3). To determine the influence of Quality of Work Life on Employee Performance, (4). To determine the influence of Competency Mapping on Employee Performance, and (5). To determine the influence of Job Satisfaction on Employee Performance

Cascio (2003) defined Quality of Work Life as an employee's feeling of mental and physical health at work. Two definitions of Quality of Work Life exist. Quality of Work Life includes organizational settings and practices like democratic supervisory enrichment, worker involvement, and safe working environments. Second, Quality of Work Life is employees' belief that they want to feel safe, pleased, and progress as people.

Work Life Quality is a worker's overall material and non-material value throughout his career. Work-related factors like salary and time, work environment, perks and services, career

opportunities, and interpersonal relations may affect worker satisfaction and motivation (Velayudhan & Yameni, 2017). Quality of Work Life encompasses working conditions, job security, income and benefits, recognition, rewards, development, interpersonal connections, and the impact on life outside of work. Thus, Quality of Work Life improves life at work and at home (Maulidhina, 2019).

Quality of Work Life refers to how the workplace affects job satisfaction, non-work life satisfaction, and life satisfaction (Sinha, 2012). Quality of Work Life is a hierarchical concept that includes non-work life domains like life satisfaction (at the top), job satisfaction (middle), and job aspects like salary, coworkers, and superior (lower). Thus, Quality of job Life improves employee job and life outside of work to boost motivation and performance. There are 8 dimensions and indicators of quality of work life (Yadav & Khanna, 2014):

a. Fair compensation includes fair remuneration, wage balance, participation in results, and extra benefits.

b. Safe and healthy working circumstances include workload, process technology, salubrity, and fatigue.

c. Immediate potential for human development, including autonomy, task importance, performance evaluation, and responsibility.

d. Opportunities for growth and development include professional development, training, and learning encouragement.

Social integration at work, discrimination, interpersonal relationships, and team compromise

f. Workplace constitutionalism includes worker's rights, freedom of expression, discussion rules, and respect for individuality.

The impact of work on family routine, leisure time, and rest time is included in the complete life space.

h. Work's social relevance includes pride, institutional image, and community inclusion.

Competency mapping models, theses, and theories regarding the human condition, knowledge, emotions, and functioning, thinking, and controlling emotions are part of the subject that only gained popularity after organizations realized that people were important and that companies needed high skills and knowledge to compete (N. Bhatt, 2020). Competency mapping

highlights an organization's main competencies and related positions and responsibilities. In certain companies, competency mapping is called skill mapping. In manufacturing, staff skill development is key to production (Sharma & Malodia, 2022). Competency mapping describes an individual's SWOT (strength, weakness, opportunity, threat) to help them understand, improve, and advance in the firm. Competency mapping helps firms find good industry talent, according to (Mukherjee et al., 2021). Competency mapping helps corporations establish businesses more efficiently and increase employee skills. He defines the competency mapping factor as the company's competency system and criteria. Competency mapping identifies differences in knowledge, abilities, and behavior so people may perform their tasks, jobs, and duties successfully and accurately at the right time, according to (Wong, 2020).

It can be concluded that competency mapping identifies organizational keys—knowledge, skills, and behavior—so that the organization has competent talent and can do its tasks, jobs, and duties on time and to standards. Competency mapping necessitates a fundamental and comprehensive understanding of the tasks performed by personnel, which may be assessed using indicators as follows:

1. Operational knowledge of production process

2. Knowledge of production concepts, standards and specifications

3. The relationship between the work given and the skills and abilities possessed.

4. Knowledge of using technology.

5. Detailed knowledge of the tools and equipment used, understanding the settings of the tools used, and carrying out long-term maintenance of the equipment.

6. Willingness to work hard, which includes a sense of responsibility for work and increased performance at work

7. Awareness of process needs in work, namely self-development to improve work quality

8. Realizing the importance of labor in the production process and establishing good relationships with employees in the company

9. Awareness of prioritizing work safety by paying attention to safety standards at work and taking corrective action for damage and dangers caused

10. Know the factors that influence quality and productivity, including the work

environment, including technology and production facilities and production equipment, understand the level of safety and health, and maintain a conducive atmosphere in the work environment.

According to Robbins & Judge (2017), job satisfaction refers to an individual's emotional response to their employment. Consequently, job satisfaction arises from the interplay between individuals and their work environment. According to Wibowo et al (2014), job satisfaction can be defined as an individual's subjective evaluation of their work and the surrounding work environment, based on the level of pleasure they experience. Individuals with low job satisfaction encounter adverse emotions when contemplating their duties or engaging in their work-related endeavors. While Mangkunegara (2013) explained that job satisfaction refers to the sense of personal fulfillment experienced by employees in relation to their work and circumstances. Work-related emotions encompass factors such as remuneration, prospects for professional growth, interpersonal dynamics with colleagues, job placement, nature of tasks, corporate hierarchy, and requirement for oversight. Meanwhile, self-related feelings encompass factors such as age, health status, capabilities, and education.

Darmawan (2021) stated that job satisfaction is the mental and emotional reaction of an employee to all aspects of their employment, including salary, work environment, colleagues, and supervisors. In the mean time, Riyanto et al (2020) said that job satisfaction is the emotional response of an individual (employee) towards their employment. These emotions are associated with the level of satisfaction individuals derive from their profession. According to the previous explanation, job satisfaction is the state of being content or pleased with one's employment, which is determined by an individual's evaluation of several factors such as their work responsibilities, tasks, and the physical and social components of their work environment.

According to Funmilola et al (2013), there are five dimensions of job satisfaction and their indicators that described as follows:

1. Pay means the desired payment that is in accordance with the payment received.
2. Promotion, that are given frequently, done honestly, and based on ability.

3. Supervision, which reflected through employees' feelings about their superiors, including whether their superiors are competent, polite, good communicators, not lazy, and not distant.

4. Work itself, that shows employees' feelings about their tasks and work, including whether it is challenging, interesting, respected, as well as utilizing skills is more important than the tedious, repetitive and uncomfortable nature of the work.

5. Working conditions, through enjoyable working conditions, colleagues to work with, and a comfortable work environment, not noisy, noisy, clean, not cramped, and with sufficient lighting.

According to Mangkunegara (2013), employee performance refers to the outcome of an employee's job, measured in terms of both the quality and quantity of work completed, in alignment with the assigned obligations. While Sedarmayanti (2013) described that performance refers to the outcomes of an individual worker, a management process, or an entire organization. These outcomes can be demonstrated through tangible and measurable evidence, which can be compared to predetermined standards. (Mathis & Jackson, 2010) explained that performance mostly revolves around the actions that employees take and the actions that they refrain from taking. Thus, it can be concluded that employee performance is the outcome of an employee's execution of their assigned responsibilities, which can be evaluated based on the employee's quality or quantity of work, or by predetermined benchmarks.

Singh et al (2019) suggest that dimensions and indicators of employee performance include:

1. Quality of work which consists of obedience, discipline and dedication to procedures, meeting the objectives expected of a job, perfection of tasks towards employee skills and abilities.

2. Work Quantity which includes the number of units produced and completed by employees, the number of activities assigned and the results.

3. Employee efficiency, including good and maximum utilization of resources.

4. Employee Business, including work with dedication and try to be better every time.

5. Professional Standards, including respecting work agreements with the company.

6. Employee Capabilities that shows employee abilities that are in accordance with the core job.

7. Employee Accuracy, consisting of: accuracy in completing tasks, creativity in providing ideas to achieve organizational goals.

This study uses quality of work life and competency mapping as independent variables, while the intervening variable is job satisfaction, and the dependent variable is employee performance. Given the circumstances of the topic and past studies, the research hypothesis formulated in this study are:

Hypothesis T-1

Ho = There is no influence of quality of work life (X1) on job satisfaction (Y) at PT XYZ Indonesia.

Ha = There is an influence of quality of work life (X1) on job satisfaction (Y) at PT. XYZ Indonesia.

Hypothesis T-2

Ho = There is no influence of competency mapping (X2) on job satisfaction (Y)

Ha = There is an influence of competency mapping (X2) on job satisfaction (Y)

Hypothesis T-3

Ho = There is no influence of quality of work life (X1) on employee performance (Z)

Ha = There is an influence of quality of work life (X1) on employee performance (Z)

Hypothesis T-4

Ho = There is no influence of competency mapping (X2) on employee performance (Z)

Ha = There is an influence of competency mapping (X2) on employee performance (Z)

Hypothesis T-5

Ho = There is no influence of job satisfaction (Y) on employee performance (Z)

Ha = There is an influence of job satisfaction (Y) on employee performance (Z)

III. Metode

The survey method is utilized to acquire data from certain location in this study, whereas observations and structured interviews were applied. As of the respondents are the personnel at the production division of PT. XYZ Indonesia. The sampling strategy employed in this research utilizes probability sampling via a basic random sampling method, whereby the sample is selected randomly without any bias or deliberate selection

criteria. With a confidence level of 95%, the appropriate sample size for research at PT. XYZ Indonesia, which has a total employee population of 317 persons, is 177 people, as determined by the application of the Slovin formula. Once all the distributed questionnaires have been gathered, the subsequent step is to conduct data processing using Path analysis.

The following are steps to process data, start from a validity test to check data accuracy, followed by reliability test to check questionnaire responses for consistency. A traditional assumption test with multicollinearity, heteroscedasticity, and normality was then performed. Next, use the Pearson correlation test to determine the significance of the independent-dependent relationship. Path analysis testing is then performed to determine whether independent factors affect the dependent variable directly or indirectly by examining the complex network of variables.

IV. Results And Discussions

Based on the questionnaire responses from employees in the company's production department, it is evident that there are 136 male employees, which accounts for 77% of the total respondents. The remaining 41 respondents are female, representing 23% of the total. There is a significant disparity in the number of male and female employees. The reason for this is that the company's production department necessitates workers who possess powerful physical attributes. The respondents were 55 people or 31% aged less than 20 years, 97 people, or 55% aged 20-35 years, 23 people or 13% aged 36-50 years, and 2 people or 1% aged more than 50 years. Thus, the majority of employees of the production division are aged 20-35 years. This is because the production division generally requires relatively young workers, who have the ability and strength, and can work under pressure.

Out of the responders from the production department, a total of 72 individuals held diploma degrees, constituting the majority. There are a total of 63 employees that have completed high school, while 42 people hold a bachelor's degree. An individual's duration of employment significantly impacts their professional expertise. As an employee's tenure at a company increases, their understanding and familiarity with both the work and the company will deepen. Given this experience, it is anticipated that he will be able to make a more

substantial contribution to the organization. A total of 107 individuals has a work tenure ranging from 1 to 2 years. Following are 54 individuals who have been employed for a duration of 3-4 years. Only 16 employees have a tenure of 5 years or more. Employees in the production department face fluctuations in their workforce due to the significant employee turnover rate. This is particularly notable considering that the company has been operating in Indonesia since 2009, raising doubts about the number of employees who genuinely feel a sense of belonging and remain with the company for an extended period.

Following the identification of the respondent's profile, the subsequent phase involves the computation of data, commencing with assessments of validity and reliability. All variables are valid, as each of them has a calculated R value that exceeds the R table value. The reliability of each variable was assessed by computing the Cronbach alpha value, which indicated that all research variables were deemed reliable.

The multicollinearity test was carried out to see whether the research model was free from multicorrelation. Meanwhile, the heteroscedasticity test is carried out to determine whether in the model there is an inequality of variance from the residuals of one observation to another observation in the model. Both tests indicate that all study variables have VIF (Variance Influence Factor) values below 10, indicating the absence of multicollinearity and heteroscedasticity at the first and second structural equation models. Subsequently, a correlation study is conducted with the assessment of the magnitude of correlation was derived from the value of the two-tailed Pearson correlation coefficient. The results indicate a considerable positive correlation between the variables, with a strong and in the same direction.

Path Analysis is employed to ascertain the relationship between the dependent variable and one or more independent variables. The outcomes of path analysis are expressed as path coefficients for each independent variable. Next, the path analysis testing stage is bifurcated into two parts, encompassing both comprehensive and partial testing for two distinct structures, respectively the first structural equation that links the variables Quality of work life (X1), Competency mapping (X2), and Job satisfaction (Y), and the second structural equation that links

the variables Quality of work life (X1), Competency mapping (X2), Job satisfaction (Y), and Employee Performance (Z). The Direct Causal Influence and Indirect Causal Influence of any variable analyzed can be observed by analyzing the path coefficients of the existing causal links. Below is a table displaying the direct and indirect impact of each variable studied:

Table 3. Summary of Direct Impact and Indirect Impact of Each Variable Studied

Influence between Variables	Path Coefficients (beta)	Influence		Total
		Direct	Indirect	
X1 → Y	0,571	0,571	-	0,571
X1 → Z	0,761	0,761	0,571 × 0,253 = 0,144	0,905
X2 → Y	0,300	0,300	-	0,300
X2 → Z	-0,193	-	0,300 × 0,253 = 0,075	0,06
Y → Z	0,253	0,253	-	0,253
ε ₁	-	0,688	-	0,688
ε ₂	-	0,550	-	0,550

The figure 1 below illustrates the overall causal relationship between the variables Quality of work life (X1), Competency mapping (X2), Job satisfaction (Y), and Employee performance (Z).

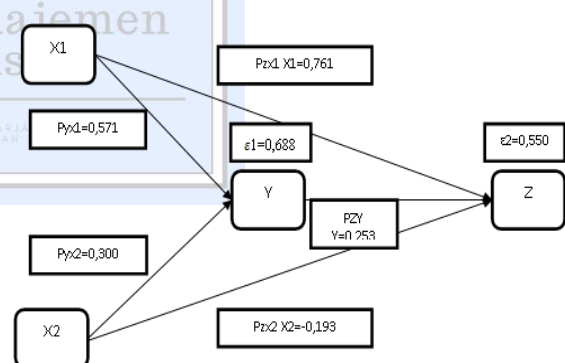


Figure 1. Overall Equation Structural Diagram

The research findings indicate that the variable of Quality of work life has a substantial and favorable impact on Job Satisfaction at PT. XYZ Indonesia. The coefficient correlation between Quality of work life and Job satisfaction is 0.550. Competency mapping (X2) strongly and positively affects job satisfaction (Y), which showed that the variable of Competency mapping has a substantial and favorable impact on Job satisfaction at PT. XYZ Indonesia. The impact of Competency mapping on Job satisfaction is 0.300.

The variables "Quality of work life" (X1) and "Competency mapping" (X2) exert a substantial and favorable impact on "Job

satisfaction" (Y). The research findings indicate that both the variables Quality of work life and Competency mapping have a simultaneous and significant beneficial impact on Job satisfaction at PT. XYZ Indonesia. The combined impact of Quality of work life and Competency mapping on Job satisfaction is 53.3%, with the remaining 46.7% being attributed to external factors not considered in this study.

The variable X1, which represents the quality of work life, exerts a notable and favorable impact on the variable Z, which represents employee performance. The research findings indicate that the variable of Quality of work life has a substantial and favorable impact on Employee performance at PT. XYZ Indonesia. The correlation coefficient between Quality of work life and employee performance is 0.761. This research aligns with the findings of a study conducted by Riskawati et al (2023) which found that quality of worklife and job satisfaction has a good and significant influence on performance on employees at PAM Tirta Mangkaluku, Palopo City in Indonesia. Meanwhile, Arifin et al (2020) research findings indicate that there is no substantial correlation between the quality of work life and employee performance, as mediated by job satisfaction and organizational commitment.

Competency mapping (X2) does not affect employee performance (Z). It has a significant indirect effect when Job satisfaction (Y) intervenes with a coefficient of 0.075. Research shows that competency mapping does not directly affect employee performance at PT. XYZ Indonesia. Competency mapping negatively correlates with employee performance at -0.193. Wijayanti & Sari (2023) say staff competence affects performance. Their findings may prove that firms need highly skilled workers. According to Mariyani et al (2023), human resource competence affects Paser regency government official performance.

Employee performance (Z) improves greatly with job satisfaction (Y). The research shows that job happiness positively affects employee performance at PT. XYZ Indonesia. Work satisfaction correlates 0.253 with employee performance. This study supports Djuli et al (2023)'s study on job satisfaction and performance in the Gorontalo City Pamong Praja Police Unit. They found that job happiness boosts performance.

The variables of quality of work life (X1) and job satisfaction (Y) exert a notable and favorable direct impact on employee performance (Z). Research findings indicate that the variable of competency mapping (X2) has a strong direct impact on both Job satisfaction and employee performance. Furthermore, competency mapping and job satisfaction also have a simultaneous and positive indirect influence on employee performance. The combined impact of quality of work life, competency mapping, and job satisfaction on employee performance is 69.8%, indicating a considerable and positive influence. The remaining 30.2% of employee performance is attributed to other factors not considered in this study. This goes along with Mahmood et al (2014) regarding their study that conducted on a company specializing in the oil field service industry, which has implemented a competency management system, revealed a significant positive impact of this system on employee job satisfaction. affects performance. Their findings may prove that firms need highly skilled workers.

Discussions

The purpose of this study was to examine how Quality of Work Life (QWL) and Competency Mapping shape Job Satisfaction and, consequently, influence Employee Performance within the production division of PT. XYZ Indonesia. The statistical analysis through path modeling provides several important insights into the dynamics among these variables.

First, the findings show that Quality of Work Life exerts a strong and significant direct influence on Job Satisfaction, as indicated by the coefficient of $\beta = 0.571$. This underscores the central role of working conditions—such as fair compensation, balanced workloads, safe environments, and opportunities for development—in shaping employees' emotional and psychological responses toward their work. In the context of PT. XYZ Indonesia, where issues related to overtime, workload intensity, and workplace conditions were raised during preliminary observations, this result is highly relevant. It suggests that improvements in QWL are likely to produce immediate gains in how satisfied employees feel about their jobs. This aligns with previous literature asserting that QWL is a foundational driver of job-related attitudes and behaviors.

Second, Competency Mapping also demonstrates a positive and significant effect on Job Satisfaction, with a coefficient of $\beta = 0.300$. Employees who perceive that their skills, expertise,

and technical abilities are well aligned with their assigned responsibilities tend to develop a greater sense of comfort, clarity, and confidence in their roles. This finding reinforces previous conceptual arguments stating that competency alignment reduces ambiguity and enhances employees' perceived effectiveness. In the highly technical production environment of PT. XYZ Indonesia, competency alignment is especially critical, given the reliance on machinery, precision, and standardized manufacturing procedures.

Third, the study reveals that Quality of Work Life has the strongest direct influence on Employee Performance, with a notably high coefficient of $\beta = 0.761$. This finding highlights that performance in the production division is not only a product of technical skill or experience but also heavily dependent on the psychosocial and physical environment in which employees operate. When employees feel supported, valued, and protected in their workplace, they are more likely to deliver consistent and higher-quality output. Considering that PT. XYZ Indonesia has faced challenges in meeting its production targets over the past three years, improving QWL emerges as a critical strategy for reversing performance shortfalls.

Interestingly, Competency Mapping does not display a significant direct impact on Employee Performance, and the coefficient is even negative ($\beta = -0.193$). This indicates that, in its current implementation, competency initiatives may not be translating into performance gains. One plausible explanation is that competency mapping may have been applied reactively—such as temporary worker reassignment to meet production deadlines—rather than through systematic, long-term development and role alignment. However, Competency Mapping does influence performance indirectly through Job Satisfaction (indirect effect = 0.075). This means employees translate competency recognition into improved performance only when the process also enhances how satisfied they feel about their work.

Furthermore, Job Satisfaction itself has a significant and positive impact on Employee Performance ($\beta = 0.253$). This supports established theoretical perspectives that view job satisfaction as a proximal antecedent of performance-related outcomes. In PT. XYZ Indonesia, where the preliminary survey showed that 58% of employees reported dissatisfaction with their jobs, this finding signals that improving satisfaction is essential not only for morale but also for operational effectiveness.

Taken together, QWL, Competency Mapping, and Job Satisfaction jointly account for 69.8% of the variance in Employee Performance. This substantial explanatory power confirms that

employees' psychological experiences, perceptions of competency alignment, and satisfaction levels are deeply intertwined with their ability to perform effectively in a production setting. The remaining 30.2%, which is influenced by other unobserved factors, may include leadership style, organizational culture, workload distribution, incentives, or stress levels—suggesting areas for future research.

Overall, the statistical results affirm the importance of strengthening both the work environment and HR development systems to support employees' well-being and performance. The findings emphasize that human factors—not only technical capabilities—are essential for achieving operational excellence in manufacturing organizations.

Based on the discussion of the findings described above, several managerial implications can be provided for companies, including: (1) Giving prioritizing for improving Quality of Work Life (QWL). Since, QWL has the greatest influence on satisfaction and performance, management needs to immediately improve the aspects most felt by employees: more humane work schedules, clarity regarding overtime, a safe work environment, and more transparent policy communication. These improvements will have a rapid impact on production performance; (2) Strengthening the competency mapping and implement it consistently. Although competency mapping has a positive effect on job satisfaction, its direct impact on performance remains weak. Management needs to ensure that competency mapping is not merely a formal document, but is actually used for job placement, targeted training, and long-term development plans; (3) Use job satisfaction as an early indicator of performance issues. Because job satisfaction has been shown to significantly impact performance, companies should use satisfaction surveys as a strategic alarm. Decreased satisfaction must be addressed immediately before it turns into performance issues or turnover; (4) Improving communication and supervisor support. Daily interactions with superiors are one of the most powerful determinants of job satisfaction. Supervisor training in communication, empathy, and problem-solving will help create a more positive and productive work environment; and (5) Creating a long-term employee development roadmap. Production employees who feel their competencies are valued and developed will be more satisfied and better prepared to achieve performance targets. Management needs to provide a clear career path, access to regular training, and fair and ongoing competency evaluations.

V. Conclusion

Based on the findings of the research and the analysis presented in the previous chapter, it can be inferred that at PT. XYZ Indonesia, both the quality of work life and competency mapping have a positive and significant impact on job satisfaction. Moreover, the quality of work life and job happiness have a favorable and substantial impact on employee performance. Nevertheless, competency mapping does not have a substantial positive influence on employee performance.

Meanwhile, based on the findings and analysis presented in the previous section, the following recommendations can be made to PT. XYZ Indonesia:

1. Companies must prioritize the Quality of work life within their organization as it has a substantial and beneficial impact on employee performance and job satisfaction. If employees' performance meets the company's expectations, it is important for companies to offer a high standard of work life for their employees. Hence, organizations can evaluate policies that promote employee satisfaction and enhance the quality of work life in a transparent manner, thereby serving as a catalyst for increased employee effort.

2. Job satisfaction has a noteworthy and constructive impact on employee performance, hence firms should prioritize the level of job satisfaction experienced by their employees. The Job satisfaction variable acts as an intervening variable in the Competency mapping variable, exerting influence on employee performance. Companies should prioritize variables that impact employee job satisfaction, including remuneration considerations, promotion strategies, leadership qualities, work atmosphere, and coworker connections.

3. This research still has limitations, hence it is desirable that additional research be conducted to enhance its quality. Among the various variables examined, including quality of work life, competency mapping, job satisfaction, and employee performance, there exist additional factors that can impact Job satisfaction and Employee performance beyond those already studied. Therefore, it is advisable for future research to consider these other factors which remains unexplored.

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