

**UNCOVERING FACTORS AFFECTING EMPLOYEE PERFORMANCE IN
THE POULTRY PROCESSING INDUSTRY IN KUNINGAN REGENCY:
COMPETENCY, TRAINING, AND COMPENSATION**



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Abstract

Enhancing employee performance is influenced by competence, training, and pay. The study's goal was to examine how these three elements affected worker performance in Kuningan's poultry processing sector. The study employed a quantitative, associative research design. Out of 242 employees, 151 respondents were chosen for the study using a purposive sampling technique. Using SmartPLS software, questionnaires with a five-level Likert scale were distributed in order to collect data, which was then analyzed using the Structural Equation Modeling (SEM) method based on Partial Least Square (PLS). The findings indicated that while compensation did not significantly affect employee performance on its own, competency and training did. On the other hand, with a 54.1% contribution, competence, training, and pay all significantly affect employee performance. Competency is the variable that influences other variables the most strongly.

Keywords: Competence, Training, Compensation, Performance

INTRODUCTION

The food processing industry in Indonesia plays a crucial role in supporting the country's economy. The sector covers a wide range of activities, from processing raw materials into ready-to-eat food to distributing products to local or foreign markets. One of the prominent subsectors in the food processing industry in Indonesia is the poultry processing industry. This industry plays a key role in fulfilling people's animal protein needs, especially eggs and chicken meat as the main source of protein for most of the population.

Viewed as a whole, the sector is a significant component of the national GDP, absorbs a large number of workers, and meets the animal protein needs of the community. According to data from the Ministry of Agriculture, the demand for chicken meat in Indonesia continues to increase in line with population growth and increasing public awareness of the importance of nutritional intake. It is estimated that chicken meat consumption in 2024 will reach 7.98 kg per capita. In 2025, this figure is predicted to increase by 6.17% compared to the previous year, and again increase by 6.07% in 2026, reaching 8.98 kg per capita per year. The consumption projections for the next three years use the quadratic trend method, which provides the best level of accuracy and produces estimates that do not deviate too much from actual data. However, global challenges such as price instability, international market competition, higher quality standards, and the need for competent human resources require the industry to continue to innovate and improve operational efficiency.

In the food processing industry, human resources play a crucial role to support performance and sustainability. HR is one of the main components in an company or organizations. The organization's success depends on how well its employees perform. High-performing employees will contribute greatly to realizing business goals and strengthening the company's competitiveness in the market. Some aspects that affect employee performance include the level of competence, training programs, and the compensation system provided. These three factors are the main keys in optimizing labor productivity in various sectors.

According to Wibowo (2014: 271) in (Nusantara et al., 2022) demonstrates that competence is the capacity to perform a job or task based on a person's mastery of skills and knowledge, bolstered by a work attitude fit for the job's requirements. In addition, according to Edison, et (Rangin et al., 2021) al (2016) in emphasized competence is a person's capacity to carry out tasks appropriately and excellently, based on three main elements, namely knowledge, attitudes, and skills. From (Nurlita et al., 2020) competence is a crucial component that helps each employee succeed in reaching organizational objectives. All business operations can function smoothly and as planned when staff members possess the necessary competencies. Having a high level of competence in carrying out various tasks is a crucial aspect that every employee must have

Furthermore, Siahaan et al., (2015) in (M. A. A. Akbar, 2024) state that training is an effort to improve the knowledge, abilities and skills of employees where the organization can improve its capabilities and can have a more efficient and effective impact on achieving organizational goals. Meanwhile, Mangkunegara (2008: 50) in (Ananto & Septyarini, 2020) suggests that training is a learning process provided to employees with the aim of improving their skills, knowledge and skills. In line with that, the opinion of Rachmawati (2018: 110) in (Witara & Setiyawan, 2023) states that training is an environmental facility provided to the

workforce, where they can get and learn certain behaviors, skills, attitudes, and knowledge directly related to the responsibilities of the duties carried out.

Any income that employees receive directly or indirectly in exchange for their contributions to the business, whether in the form of cash or merchandise, is referred to as compensation Hasibuan (2017) in (Kustini & Maridha, 2023). Any income that employees receive as payment for their services to the business, whether directly or indirectly, in the form of cash or merchandise, is referred to as compensation Fajar (2010) in (Garaika, 2020). Compensation is given after employees complete their work. Generally, compensation is part of the company's cash expenditure, but on the other hand, compensation also plays a role in encouraging enthusiasm and improving employee performance Hameed, A. et al., 2014 in (Santika et al., 2019) so that companies need to consider providing appropriate compensation so that employees remain motivated at work.

In the context of performance, Nursam (2017) performance is defined as how far the results achieved from the implementation of a particular task. Meanwhile, because the degree of success in accomplishing the objectives is reflected in the company's performance. (Pragiwani et al., 2020) The outcomes attained in making efficient use of organizational resources and optimizing the capacity to fulfill responsibilities are what define employee performance. HR management plays an important role in promoting a culture of discipline and productivity to encourage improved organizational performance. Almita et al., (2023) in (Mulyani et al., 2024). Sedarmayanti (2017: 283) in (Lilis Suryani & Sari, 2022) also explains performance, which is the equivalent of the word *performance*, refers to the results of individual work, managerial processes, or the performance of an organization as a whole. The results of this work must be proven in real terms and can also be measured by the benchmarks set. Therefore, the company's top priority is employee performance. Companies with high levels of performance tend to achieve optimal results, which in turn can increase their competitiveness in the market.

Super Unggas Jaya Limited Liability Company is a company engaged in poltry farming and processing, with a poultry slaughterhouse located in Kuningan, West Java. The company focuses on providing high-quality fresh and processed chicken products through hygienic production processes that comply with food safety standards. In its operational activities, Super Unggas Jaya also collaborates with Andalus Multi Alam, including in employee management. As part of its efforts to maintain productivity and work quality, the company regularly conducts employee performance evaluations across various departments to ensure the achievement of targets and continuous performance improvement. One of the results of these evaluations is shown in **Table 1**.

Table 1.
Employee Performance Appraisal July-December 2024 Period

| Department Name | Number of Employees | Performance Assessment | | | | Percentage of Fair & Poor Performance |
|-------------------------------------|---------------------|------------------------|----|---|---|---------------------------------------|
| | | SB | B | C | K | |
| Warehouse | 28 | 8 | 12 | 5 | 3 | 5% |
| Unloading, Slaughter and Feathering | 20 | 9 | 11 | | | 0% |
| Evisceration | 18 | 7 | 11 | | | 0% |

| | | | | | | |
|--------------|------------|-----------|-----------|----------|----------|-----------|
| Grad and MDM | 26 | 9 | 17 | | | 0% |
| Boneless | 31 | 15 | 14 | 2 | | 1% |
| Parting | 14 | 8 | 6 | | | 0% |
| Sanitation | 8 | 2 | 5 | 1 | | 1% |
| QC Line | 6 | 2 | 4 | | | 0% |
| Total | 151 | 60 | 80 | 6 | 5 | 7% |

Source: Poultry processing company in Kuningan

Table 1 shows the results of employee performance appraisals for the period July - December 2024, revealing an imbalance in human resource management between departments. Of the 151 employees appraised, 11 employees (7%) had below-standard performance. Among them, 5 employees showed poor performance, while 6 employees had fair performance. This percentage of underperformance varies across departments, with the Warehouse department recording the highest percentage, followed by the Sanitation and Boneless departments which each have 1% underperforming employees. These differences indicate that a number of factors influence how well employees perform, such as competency levels, quality of training, and compensation systems. These findings align with earlier studies that emphasise the impact of training, competency, and pay on worker performance. For example (Maizar et al., 2023) in their research at PT Luas Retail Indonesia found that competence, training, and compensation had a significant effect on employee performance, with a contribution of 86.8%, while the remaining 13.2% was influenced by other factors. Similar findings were found by (Aakhirati & Fourqoniah, 2023) in their research at PT Trisensa Mineral Utama who assessed that competence as well as compensation had a significant influence on employee performance variables of 0.575 (7.5%). Other factors then account for the remaining 42.5% percentage. Furthermore, research by (Rezina et al., 2024) shows that competence as well as simultaneous training has a significant positive effect on the performance of production employees of the anodizing department of PT Damai Abadi.

Analyzing the effects of skill, education, and pay on worker performance in the Kuningan poultry processing sector is the goal of the study. By understanding the extent to which these elements contribute to improving employee performance, companies can design more effective policies in HR management. The research is expected to benefit companies in efforts to increase labor productivity, as well as a reference for further research focusing on strategies to improve employee performance in poultry processing industry.

REVIEW OF LITERATURE

The relationship between competence and performance

Competence is a major factor affecting employee performance. According to Rosmaini & Tanjung (2019) in (Iriani et al., 2023) competence is the main trait or character that a person has that allows them to produce optimal performance in carrying out their duties. Wibowo (2014) in (Fitrio et al., 2023) the degree to which an individual possesses the behavior, knowledge, and abilities required to perform the tasks assigned to an organization is referred to as competence. Employees with high levels of competence tend to be more effective in completing their work and contribute to increased productivity. Therefore, an employee performs better the more competent they are.

H1: Competence has an influence on employee performance

The relationship between training and performance

Training is an important part of improving employee skills and knowledge. According to Andayani & Hirawati (2021) in (M. R. Akbar et al., 2024) Job training not only focuses on improving employee skills and knowledge, but also helps employees understand their duties and improve performance. Siagian (2006) in (Yuniarty et al., 2021) also states that training is a process that includes developing skills, understanding concepts, as well as forming attitudes to improve employee performance. Through systematic training, employees can better understand their responsibilities, which benefits the efficiency of work and the output of the organization.

H2: Training has an influence on employee performance

The relationship between compensation and performance

Compensation is an important factor that can boost worker performance and motivation. According to Handoko (2015) in (Maizar et al., 2023) compensation includes two types, namely direct compensation including salaries, incentives, as well as bonuses, as well as indirect compensation, for example benefits as well as facilities. According to Wibowo (2014: 289) in (Castana & Widodo, 2021) compensation encompasses all types of benefits that employees receive in exchange for their labor.

H3: Compensation has an influence on employee performance

The research conceptual framework can be arranged as follows, with reference to the previously mentioned literature review:

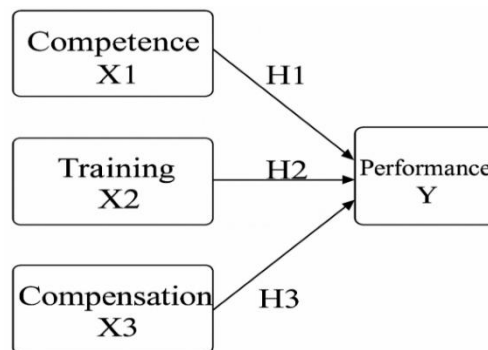


Figure 1.
Research Model

RESEARCH METHOD

Research employing a quantitative approach seeks to examine how employee performance is impacted by competency, training, and compensation. PLS-SEM was chosen because this model is capable of handling models with reflective and formative indicators and is suitable for use with small sample sizes and data that are not normally distributed. As stated by Sugiyono (2019) in (Zulfikar et al., 2024) quantitative research is a method used to determine the correlation between hypothesized variables using numerical data analyzed statistically.

The study was conducted at a poultry processing company located in Kuningan. A total of 272 employees from the operator section made up the study's population. The population itself is defined as all subjects and objects with certain characteristics determined by the researcher as a basis for concluding. Sugiyono (2016: 80) in (Fadilla et al., 2022). The study used a purposive sampling technique in sampling. With this method, 242 operator

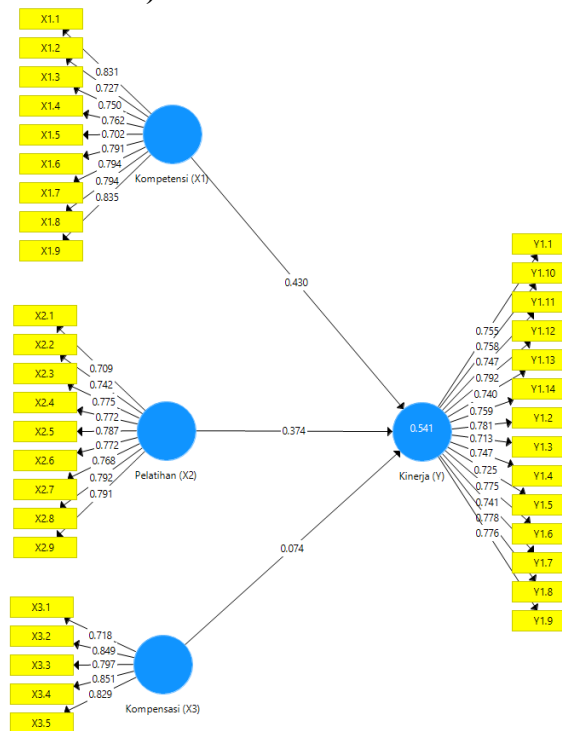
employees who meet the criteria are designated as potential respondents. 151 respondents were selected as research samples after number of samples was determined using Slovin formula with a 5% error rate.

Strongly agree (5), agree (4), moderately agree (3), disagree (2), and strongly disagree (1) are the five points on the Likert scale that were used in survey method used to collect data for the study. The questionnaire consists of 37 items made based on indicators of each variable, namely 9 statements for the Competency variable, 9 for Training, 5 for Compensation, and 14 for Employee Performance. In addition to primary data, the analysis's findings were further supported by secondary data gathered from pertinent literature and internal company reports.

Validity, reliability, coefficient of determination (R^2), effect size (f^2), Stone-Geisser Q-square (predictive relevance), and hypothesis testing using Smart PLS software were all evaluated in this study using Partial Least Squares-Structural Equation Modeling (PLS-SEM) data analysis techniques. Despite the fact that data is not normally distributed and the sample size is small, this approach was selected because it can analyze the correlation between variables.

RESULTS AND DISCUSSION

Measurement Model (Outer Model)



Convergent Validity Test

Verifying the outer loading value is one way to evaluate convergent validity. The validity of an indicator is determined by its outer loading reaching ≥ 0.7 . But if the outer loading is less than or equal to 0.7, the indicator is deemed invalid.

Table 2
Outer Loading Value on Each Construct

| Indicator | Performance | Compensation | Competence | Training | Indications |
|-----------|-------------|--------------|------------|----------|-------------|
| X1.9 | | | 0.835 | | Valid |
| X1.1 | | | 0.831 | | Valid |
| X1.8 | | | 0.794 | | Valid |
| X1.7 | | | 0.794 | | Valid |
| X1.6 | | | 0.791 | | Valid |
| X1.4 | | | 0.762 | | Valid |
| X1.3 | | | 0.750 | | Valid |
| X1.2 | | | 0.727 | | Valid |
| X1.5 | | | 0.702 | | Valid |
| X2.1 | | | | 0.709 | Valid |
| X2.2 | | | | 0.742 | Valid |
| X2.3 | | | | 0.775 | Valid |
| X2.4 | | | | 0.772 | Valid |
| X2.5 | | | | 0.787 | Valid |
| X2.6 | | | | 0.772 | Valid |
| X2.7 | | | | 0.768 | Valid |
| X2.8 | | | | 0.792 | Valid |
| X2.9 | | | | 0.791 | Valid |
| X3.1 | | 0.718 | | | Valid |
| X3.2 | | 0.849 | | | Valid |
| X3.3 | | 0.797 | | | Valid |
| X3.4 | | 0.851 | | | Valid |
| X3.5 | | 0.829 | | | Valid |
| Y1.1 | 0.755 | | | | Valid |
| Y1.10 | 0.758 | | | | Valid |
| Y1.11 | 0.747 | | | | Valid |
| Y1.12 | 0.792 | | | | Valid |
| Y1.13 | 0.740 | | | | Valid |
| Y1.14 | 0.759 | | | | Valid |
| Y1.2 | 0.781 | | | | Valid |
| Y1.3 | 0.713 | | | | Valid |
| Y1.4 | 0.747 | | | | Valid |
| Y1.5 | 0.725 | | | | Valid |
| Y1.6 | 0.775 | | | | Valid |
| Y1.7 | 0.741 | | | | Valid |
| Y1.8 | 0.778 | | | | Valid |
| Y1.9 | 0.776 | | | | Valid |

Source: Results of research data processing 2025

Every indicator has an outer loading value > 0.7, which shows that they can accurately depict the latent variable. In particular, the indicator with the highest outer loading value is

recorded in Compensation (X3.2 = 0.849), while the Compensation indicator (X3.1) has the lowest value among all indicators, but is still above the 0.70 threshold (i.e. 0.702). Similar conditions are also seen in several Performance indicators (Y1.3 = 0.713) which are above the minimum limit. Thus, there are no indicators that must be eliminated because all of them meet the outer loading criteria ≥ 0.70 .

Average Variance Extracted (AVE)

AVE is used to evaluate how well latent variables account for the variation in the indicators that are being measured. From (Sihombing et al., 2024) the AVE value exceeds 0.5 demonstrating strong convergent validity of latent variable.

Table 3

| Average Variance Extracted (AVE) Value | |
|---|----------------------------------|
| Variables | Average Variance Extracted (AVE) |
| Performance (Y) | 0.572 |
| Compensation (X3) | 0.657 |
| Competence (X1) | 0.604 |
| Training (X2) | 0.590 |

Source: Results of research data processing 2025

According to the outcomes shown in **Table 3**. Every variable has an AVE value greater than 0.5, meaning that every construct satisfies the requirements for convergent validity, as stated by (Sihombing et al., 2024).

Discriminant Validity

Discriminant validity was tested using Fornell and Larcker method. In (Rahadi, 2023) states that discriminatory if a construct’s sq. root of AVE is > its correlation with every other construct, it’s considered valid. Ensuring that each construct can be empirically differentiated from the others is the aim. In order for diagonal (square root of AVE) to be > the construct to construct correlation value.

Table 4.

| Discriminant Validity Results based on Fornell and Larcker method | | | | |
|--|--------------|--------------|--------------|--------------|
| Variables | Performance | Compensation | Competence | Training |
| Performance (Y) | 0.757 | | | |
| Compensation (X3) | 0.337 | 0.810 | | |
| Competence (X1) | 0.649 | 0.252 | 0.777 | |
| Training (X2) | 0.635 | 0.415 | 0.536 | 0.768 |

Source: Results of research data processing 2025

Table 4. shows the total square root of the correlation between latent variables, or AVE (Average Variance Extracted), indicating that “discriminant validity is satisfied”.

Reliability Test

Reliability test is statistical method used to assess extent to which a measurement instrument shows consistency and reliability of results. This test is carried out through two approaches, namely “Cronbach’s Alpha and Composite Reliability”. These two methods

assist researchers in assessing extent to which each indicator can consistently represent construct being studied.

Cronbach's Alpha (CA)

A construct's indicators' internal consistency is evaluated using "Cronbach's Alpha". (Sihombing et al., 2024) states that values above 0.70 display a good level of reliability

Table 5.

Cronbach's Alpha value of each construct

| Variables | Cronbach's Alpha | Description |
|-------------------|------------------|-------------|
| Performance (Y) | 0.942 | Reliable |
| Compensation (X3) | 0.869 | Reliable |
| Competence (X1) | 0.918 | Reliable |
| Training (X2) | 0.913 | Reliable |

Source: Results of research data processing 2025

In **Table 5**. All variables have a "Cronbach's Alpha value of > 0.7", indicating that indicators used to measure these variables have good internal consistency. There are no variables whose values are below the minimum limit, so that all constructs can be declared "reliable and suitable for use in research".

Composite Reliability (CR)

Overall construct reliability was assessed using Composite Reliability (CR) to ensure measurement consistency of all indicators forming each variable. >A CR value of 0.7 is considered to indicate that the construct has good reliability and can also be relied upon for further analysis. (Rahadi, 2023; Sihombing et al., 2024)

Table 6.

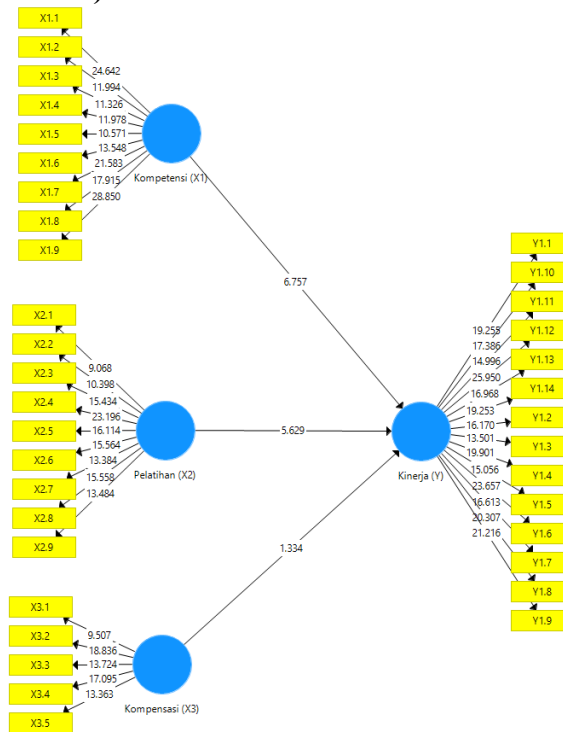
Composite Reliability Value of Each Construct

| Variables | Composite Reliability |
|-------------------|-----------------------|
| Performance (Y) | 0.949 |
| Compensation (X3) | 0.905 |
| Competence (X1) | 0.932 |
| Training (X2) | 0.928 |

Source: Results of research data processing 2025

Table 6, all variables have a Composite Reliability (CR) value of > 0.7, according to the results, suggesting that "the construct is highly reliable".

Structural Model (Inner Model)



Coefficient of Determination (R²)

The degree to which independent variables can explain dependent variable is measured by the coefficient of determination (R²) and R Squared. A R² value of 0.67 is classified “as strong”, 0.33 as “moderate”, and 0.19 as “weak”, per Sihombing et al. (2024). The degree to which “independent variable affects dependent variable” is indicated by the Adjusted R² value.

Table 7.
R Square Value

| Variables | R Square | R Square Adjusted |
|-----------------|----------|-------------------|
| Performance (Y) | 0.541 | 0.532 |

Source: Results of research data processing 2025

Table 7, the R² (R Square) competence, training, and compensation are independent variables that account for 54.1% of variation in dependent variable, performance, with other factors outside research model accounting for the remaining 45.9%, according to value of 0.541.

The Adjusted R Square value is 0.532, which is the result adjusted by considering number of independent variables in model, so as to get a more accurate estimate of the model's predictive ability. These two values indicate that model has a “fairly good predictive power in explaining performance variables”.

Effect Size (f²)

The degree to which the independent variable influences the dependent variable is measured using the Effect Size (f²) formula.

Table 8.
Effect Size Results of the Effect of Independent Variables on Performance

| | Performance (Y) | Compensation (X3) | Competence (X1) | Training (X2) |
|----------------------|--------------------|----------------------|--------------------|---------------|
| Performance (Y) | | | | |
| Compensation (X3) | 0.010 | | | |
| Competence (X1) | 0.286 | | | |
| Training (X2) | 0.191 | | | |

Source: Results of research data processing 2025

According to (Sihombing et al., 2024) an f^2 value of 0.02 indicates a “weak influence”, 0.15 indicates a “moderate influence”, while 0.35 reflects a “strong influence”. To determine the extent to which each independent variable contributes significantly to the dependent variable, this evaluation is crucial.

The f^2 table of Competency variable (X1) has an f^2 value of 0.286 on Performance (Y), which can be categorized as a medium influence. The Training variable (X2) recorded an f^2 value of 0.191, also displaying a “moderate influence over Performance”. Meanwhile, the Compensation variable (X3) had an f^2 value of 0.010, indicating a “small influence on Performance”. This indicates that Competence as well as Training contribute more significantly to explaining the variance in Performance, while Compensation has a “relatively lower influence on Performance”.

Stone-Geisser Q-square test (Predictive Relevance)

The model’s predictive ability is gauged by Predictive Relevance (Q^2). The model has “good predictive relevance” if Q^2 value is > 0 . The model is “not predictively relevant” if Q^2 value is < 0 . (Sihombing et al., 2024).

Table 9.
Stone-Geisser Q-square test results (Predictive Relevance)

| Variables | SSO | SSE | $Q^2 (=1-SSE/SSO)$ |
|----------------------|-----------|-----------|--------------------|
| Performance (Y) | 2.114.000 | 1.488.847 | 0.296 |
| Compensation (X3) | 755.000 | 755.000 | |
| Competence (X1) | 1.359.000 | 1.359.000 | |
| Training (X2) | 1.359.000 | 1.359.000 | |

Source: Results of research data processing 2025

The results obtained in **Table 9**. Performance Q^2 value of 0.296 (>0) indicates that model has “good predictive relevance”. The exogenous variables (Competence, training and compensation) do not have a Q^2 value because they act as predictor variables. The Q^2 value of 0.296 indicates that model has “sufficient predictive ability to explain the performance variable”. In other words, model used can predict employee performance as stated by variables of competence, training and compensation.

Hypothesis Test

Test the Influence Between Variables (Path Coefficients, T-Value, and P-Value)

Analysis of path coefficients, t-value, and p-value is an important stage in PLS-SEM aimed at assessing whether independent variables (exogenous) have a significant influence on the dependent variable (endogenous). The higher path coefficient value, the stronger contribution of variable to influence endogenous variable, either positively or negatively (Rahadi, 2023). However, to ensure the significance of the effect, the results of statistical tests (t-value, p-value) through bootstrapping procedure of path are declared significant if $t > 1.96$ and $p < 0.05$ (Rahadi, 2023). The following table displays the path coefficient values between exogenous variables and endogenous variables:

Table 10.
Results of Test of Influence Between Variables (Path Coefficients)

| Relationship | Path Coefficients |
|-------------------------------------|-------------------|
| Compensation (X3) → Performance (Y) | 0.074 |
| Competence (X1) → Performance (Y) | 0.430 |
| Training (X2) → Performance (Y) | 0.374 |

Source: Results of research data processing 2025

The results of **Table 10** show that Competence has “the highest path coefficient value on Performance (0.430)”, which means it has “the greatest positive influence”. Furthermore, Training (0.374) also has a “positive impact on Performance”, while Compensation (0.074) despite its positive effect, comes last. However, these results need to be further confirmed through statistical tests (t-value, p-value) to determine significance of relationship at set confidence level.

The significance criteria for this study were set based on t-value > 1.96 (95% confidence level) or p-value < 0.05 . If these criteria are met, H_0 is rejected and H_1 is accepted; conversely, if t-value ≤ 1.96 or p-value ≥ 0.05 , H_0 cannot be rejected. This assessment also shows the direction (positive or negative) as well as the level of influence of each exogenous variable on endogenous variable. Following table presents results of bootstrapping test:

Table 11.
Bootstrapping Test Results Influence Between Variables

| Variables | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (O/STDEV) | P Values |
|-------------------------------------|---------------------|-----------------|----------------------------|--------------------------|----------|
| Compensation (X3) → Performance (Y) | 0.074 | 0.081 | 0.051 | 1.432 | 0.153 |
| Competence (X1) → Performance (Y) | 0.430 | 0.427 | 0.061 | 6.990 | 0.000 |
| Training (X2) → Performance (Y) | 0.374 | 0.375 | 0.070 | 5.306 | 0.000 |

Source: Results of research data processing 2025

Table 11. The results of the bootstrapping test can be formulated hypotheses, namely:

H0₁: competence has no significant effect on performance.

H1₁: competence has a significant effect on performance.

H0₂: Job training has no significant effect on performance.

H1₂: Job training has a significant effect on performance.

H0₃: Compensation has no significant effect on performance.

H1₃: Compensation has a significant influence on performance.

Decision-making is based on the t-statistic and p-value. (Rahadi, 2023) states that if the t-statistic > critical value (1.96 for $\alpha = 5\%$) and p-value < 0.05, path coefficient is declared “significant”. So it is concluded:

Competence (X1) → Performance (Y):

Performance is “significantly impacted by competence”. Demonstrated by p-value < 0.05 (0.000 < 0.05) and t-statistic value > 1.96 (6.990 > 1.96). in which “H1₁ is accepted and H0₁ is rejected”. This implies that performance could be greatly enhanced by raising employee competency. The study’s findings are consistent with research showing that competence “significantly affects employee performance” (Akhirati & Fourqoniah, 2023; Junianto et al., 2024).

Training (X2) → Performance (Y)

Performance is “significantly impacted by training”. As stated by p-value < 0.05 (0.000 < 0.05) and t-statistic value > 1.96 (5.306 > 1.96). in which “H1₂ is accepted and H0₂ is rejected”. Better training can raise employee performance levels, it is implied. The study’s findings are consistent with studies that found training “significantly affects employee performance” (Ingsih et al., 2021; Rezina et al., 2024).

Compensation (X3) → Performance (Y)

Compensation has “no discernible impact on performance”. As stated by p-value > 0.05 (0.153 > 0.05) and t-statistic value < 1.96 (1.432 < 1.96). where “H1₃ was not supported and H0₃ was not rejected”. In other words, at a 95% confidence level, it has not been demonstrated that pay “significantly affects employee performance improvement”. The study’s findings are consistent with research showing that pay has “no discernible impact on worker performance” (Purnama & Rialdy, 2024; Usu et al., 2024).

CONCLUSION

A Kuningan poultry processing company served as the site of the study, which examined the effects of pay, training, and competency on worker performance. The analysis and discussion’s findings support the conclusion that the measurement model in use satisfies the requirements for reliability, discriminant validity, and convergent validity. Cronbach’s alpha, composite reliability, outer loading, and AVE values for all constructs in this study are higher than the specified minimum limit. Competence, training, and compensation are independent variables that together account for 54.1% of the variation in employee performance ($R^2 = 0.541$), according to structural model analysis. They also have a reasonably high predictive relevance ($Q^2 = 0.296$).

Hypothesis testing results show that competency and training have a significant influence on employee performance, while compensation individually does not have a significant influence. However, when three variables were analyzed together, overall they

had a significant influence on employee performance. The effect size analysis also confirmed that competencies had the most influence ($f^2 = 0.286$), followed by training ($f^2 = 0.191$) and compensation ($f^2 = 0.010$). These findings confirm that companies need to prioritize improving employee competencies and training to improve employee performance, while role of compensation needs to be researched further to uncover its influence in depth by considering moderating or mediating variables that may be involved.

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