



The Effect of Competence and Work Environment on Employees' Performance through Job Satisfaction as Intervening Variable in PT. Sermani Steel Makassar

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Abstract

The research aimed to investigate the effect of competence and work environment on the employees' performance through the job satisfaction as the intervening variable in PT. Sermani Steel, Makassar. The research used the non-probability sampling technique, so that all populations in the related company became the samples as many as 60 employee respondents. The research data were collected from the questionnaire (primary) and library study which was proper and related to the research objective. The data were analyzed using the path analysis technique and sobel test. The research results indicates that the competence and work environment have the direct and significant effect on the employees' job satisfaction. The competence does not have the direct and significant effect on the employees' performance. The work environment has the direct and significant on the employees' performance. The job satisfaction has the direct and significant on the employees' performance. Competence has the indirect and significant effect on the employees' performance in mediated by job satisfaction, and the work environment has the indirect and significant effect on the employees' performance in mediated by job satisfaction.

Keywords: *competence, work environment, job satisfaction, employees' performance*

INTRODUCTION

Human resources (employees) are the most important assets of an organization. The progress and quality of an organization can be seen from the performance of its human resources. Quality human resources will provide progress and benefits for an organization and vice versa. A good organization can strive to improve the capabilities of its human resources because this is the main key in improving employee performance.

According to Simamora (2019: 133) "basically refers to the level of achievement of the tasks that make up an employee's work. Performance reflects how well the employee meets the requirements of a job. Meanwhile, according to Armstrong and Baron (2018: 131) "Performance is the result of work that is closely related to the objectives of the organization and consumers, contributes to the economy". Employee performance includes the quality and quantity of output and reliability at work. An employee can work well if they have a high performance so that they can

produce a good work result. With the high performance of an employee, it is expected that the goals of an organization can be achieved as desired.

Dissatisfaction can be a starting point for the emergence of problems with employee performance in an organization such as conflicts between superiors and subordinates, high absenteeism rates, or employee turnover. This dissatisfaction will cause a decrease in employee motivation, morale, and performance both qualitatively and quantitatively. Locke in Ezeanyim et. al (2019: 43) states that *“job satisfaction is a pleasurable or positive emotional state resulting from the appraisal”*. In addition, Mankoe (2019: 43) states that *“job satisfaction is a set of feelings which employees have about their work”*. If someone’s job satisfaction level is high, she/he will show a positive attitude towards their work, or vice versa. Job satisfaction is not always a strong motivational factor for an employee to achieve because an employee who is satisfied with his/her job does not necessarily increase his work performance since each employee has different characteristics.

According to Hasibuan (2009: 203), employees’ job satisfaction is influenced by several factors including fair and proper remuneration, proper placement according to expertise, the burden of work, work atmosphere and environment, equipment that supports job execution, the attitude of the managers and their leadership, and the nature of work (monotonous or not). Job satisfaction can affect employee performance as in a study conducted by Riski Damayanti et al. (2018) entitled *“The Effect of Job Satisfaction on the Performance of Non-Medical Employees at RS Islam Siti Khadijah Palembang”*. The study proves that job satisfaction has a significant and positive effect on employee performance.

According to Ade Rizky Prasetya (2018: 20), competence and work environment are two of several factors that affect employee job satisfaction. David Mc. Clelland in Egris (2018: 42) *“competence is a fundamental characteristic of a person that has a direct effect on performance, or can predict very good performance”*. Then Dessler (2018: 28) argues *“competence as a characteristic of someone who can be demonstrated, which includes knowledge, skills, and behavior, which can result in performance and achievement”*. In general, competence can be defined as a combination of skills, personal attributes, and knowledge which is reflected through performance behaviors that can be observed, measured, and evaluated. According to Made Galuh Ginanti (2017) in his study entitled *“An Analysis of the Influence of Competence, Training, and Compensation on Employee Performance with Job Satisfaction as an Intervening Variable”*, she found that competency has a direct and significant effect on job satisfaction and employee performance.

Apart from competence, the work environment is also a factor that affects employee performance. Alex S. Nitisemito (2017:67) state that *work environment is both an external and an internal condition that can influence work spirit and result in instantly finished jobs*. Mohammad Kamif et. al. (2020:86) state *“work environment is everything that exists around workers both inside and outside the room including those that are physical or not that affect employees in carrying out the tasks they carry”*. A good and comfortable work environment will increase job satisfaction which will affect the performance of an employee or vice versa. According to Tegar Mangkulangit (2015) in his study entitled *“The Effect of Work Environment, Compensation, and*

Leadership on Employee Job Satisfaction”, he concluded that the work environment has a positive and significant effect on employees’ job satisfaction.

PT. Sermani Steel is a joint venture between Indonesia and Japan. This company is founded in Makassar and engaged in the production of zinc-coated steel. The physical development of PT. Sermani Steel started on August 12, 1969. The development shows a bright prospect so that the management began to expand or increase their production capacity. Therefore, the development of the production capacity of PT. Sermani Steel continues to increase and finally reaches 24,000 tons per year. By looking at the resulting production capacity, PT. Sermani Steel has to prepare its employees so that they can give the best performance for the company. Based on the data obtained, from 2009 to 2014, the number of employees has decreased. In 2009, the number of employees was 150 people and continued to decline. In 2014, the total number of employees remained 70 people. Furthermore, in 2020, the number of permanent employees was only 60 people. The decrease in the number of employees was caused by several factors, such as some resigned, some retired, some died, and some were laid off because they did not comply with company regulations.

These factors occur due to the company’s poor planning and management of human resources. Every manager must pay more attention to the things that cause decreased employee performance. Several factors that affect the performance of these employees are work environment, competence, and job satisfaction that each employee has. From the results of an interview with an employee at PT. Sermani Steel, the condition of employee competence needs to be improved considering that this company does not have job training when recruiting new employees. Therefore, the competencies possessed by employees are their respective competencies that existed before they worked at this company without further debriefing after they were accepted as employees. Not only that, but the work environment at the company is also inadequate so that employees one by one withdraw from the company with the reason that they are not comfortable with the environment in the company because the conditions of the company are hot and rather noisy since the company has a production room, and there is overtime work every week to achieve the desired production target.

LITERATURE REVIEW

Competence

Spencer in Nia Kusuma (2017:83), *competence is defined as the underlying characteristic of a person with regard to the effectiveness of the performance of an individual who has a causal relationship or as a cause-effect that is used as a benchmark, effective and superior performance in the workplace or in certain situations.* Meanwhile, according to Dessler (2018: 183) states that *competence is defined as the characteristics of a person who can be demonstrated, which includes knowledge, skills and behaviors that can produce performance and achievement.* Then according to Rychen & Salganik (2019: 16), *competence is an ability that can be fulfilled in carrying out certain tasks in the organization.*

Work Environment

According to Alex S. Nitisemito (2017:67) state that *work environment is both an external and an internal condition that can influence work spirit and result in instantly finished jobs.* Meanwhile,

the work environment according to Sedarmayanti (2020: 86) is *all things that exist in the environment of workers both physical and psychological, in which a person works either as an individual or as a group*. Then according to Mohammad Kamif et. al. (2020: 86) *Work environment is everything that exists around workers both inside and outside the room including those that are physical or not that affect employees in carrying out the tasks they carry*.

Job Satisfaction

According to Theresa, I. & Henry, C (2019:43) *Job satisfaction is defined as reintegration of effects produced by individual's perception of fulfillment of his needs in relation to his work and the surrounding*. Furthermore, Robbins in Yoyo Sudaryo et. al. (2018: 75) states that *job satisfaction is the general attitude of an individual to his job*. According to Stella, O (2019:43), *Job satisfaction is the attitudes and feelings people have about their job. It is the degree to which an employee has positive emotions towards the job role*.

Employees' Performance

According to Cascio in Awadh & Saad in Samuel Tulenan (2015: 674) *defines employee performance as degree of an achievement to which an employee's fulfill the organizational mission at workplace*. Meanwhile, according to Sumarauw, Saerang & Pandowo in Samuel Tulenan (2015:674) *says that employee performance also can be defined as the outcome and contribution of the employee in an organization to make them attains their goals*. According Dessler (2019:133) *stated employee performance is a comparison between work results with standards and those set*. Then the employee performance according to Simamora (2019:133) *basically refers to the level of achievement of the tasks that make up an employee's work*.

The Effect of Competence on Job Satisfaction

A study conducted by Deswarta (2017) entitled "*The Influence of Competence and Motivation on Lecturers' Job Satisfaction and Performance at the Faculty of Tarbiyah and Teacher Training, UIN Sultan Syarif Kasim Riau*" proves that competence has a significant effect on job satisfaction for lecturers at the Faculty of Tarbiyah and Teacher Training, UIN Sultan Syarif Kasim Riau.

H1: Competence has a direct and significant effect on job satisfaction.

The Effect of Work Environment on Job Satisfaction

A study conducted by Quinerita Stevani Aruan and Mahendra Fakhri (2015) entitled "*The Effect of Work Environment on Job Satisfaction of Field Employees at the Department of Grasberg Power Distribution, PT. Freeport Indonesia*" proves that the work environment has a significant effect on employee job satisfaction simultaneously and partially. Lulu Novena Sitinjak (2018) in her research entitled "*The Effect of Work Environment on Employee Job Satisfaction*" also stated that the work environment has a positive and significant effect on employee job satisfaction.

H2: Work environment has a direct and significant effect on job satisfaction.

The Effect of Competence on Employee Performance

A study conducted by Eegis Yani Pramularso (2018) entitled “*The Effect of Competence on Employee Performance*” shows that competence has a positive effect on employee performance. Muhammad Riyanda (2017) in his research entitled “*The Influence of Competence and Work Discipline on Employee Performance at the Licensing Office of Yogyakarta*” also has the same opinion that competence has a positive and significant effect on employee performance.

H3: Competence has a direct and significant effect on employee performance.

The Effect of Work Environment on Employee Performance

A study conducted by Vivin Maharani and Achmad Sani Supriyanto (2019) entitled “*The Effect of Work Environment on Employee Performance through Work Discipline*” proves that the work environment affects employee performance. Muchtar (2016) in his research entitled “*The Influence of Motivation and Work Environment on the Performance of Employees*” also stated that the work environment has a significant effect on employee performance.

H4: Work environment has a direct and significant effect on employee performance.

The Effect of Job Satisfaction on Employee Performance

A study conducted by Iwan Kurnia Wijaya (2018) entitled “*The Effect of Job Satisfaction on Employee Performance at CV. Bukit Sanomas*” proves that job satisfaction affects employee performance. This is in line with a study conducted by Oxy Rindiantika Sari and Heru Susilo (2018) entitled “*The Effect of Job Satisfaction on Employee Performance with Organizational Citizenship Behavior as an Intervening Variable*”. This study also concluded that job satisfaction has an effect on employee performance.

H5: Job satisfaction has a direct and significant effect on employee performance.

The Effect of Competence on Employee Performance through Job Satisfaction

The Effect of Competence on Employee Performance through Job Satisfaction A study conducted by Galih Rudi Prasyanto (2017) entitled “*The Effect of Employee Competence on Employee Performance with Job Satisfaction as an Intervening Variable*” proves that competence has a positive effect on performance through job satisfaction. This means that job satisfaction can be a mediating variable to strengthen the independent variable on the dependent variable. Diah Ayu Ratna Sari (2018) in her research entitled “*The Effect of Competence on Teacher Performance with Job Satisfaction as a Mediation Variable*” also argued that job satisfaction can mediate the effect of competence on teacher performance.

H6: Competence has an indirect and significant effect on performance through job satisfaction.

The Effect of Work Environment on Employee Performance through Job Satisfaction

A study conducted by Bayu Dwilaksono Hanafi and Corry Yohana (2017) entitled “*The Effect of Motivation and Work Environment on Employee Performance with Job Satisfaction as an Intervening Variable*” proves that job satisfaction can positively mediate the relationship between

work environment and employee performance. Simon Petrus et al. in their research entitled “*The Effect of Work Environment and Compensation on Employee Performance with Job Satisfaction as an Intervening Variable*” also argued that job satisfaction can positively mediate the relationship between work environment and employee performance.

H7: Work environment has an indirect and significant effect on performance through job satisfaction.

Conceptual Model

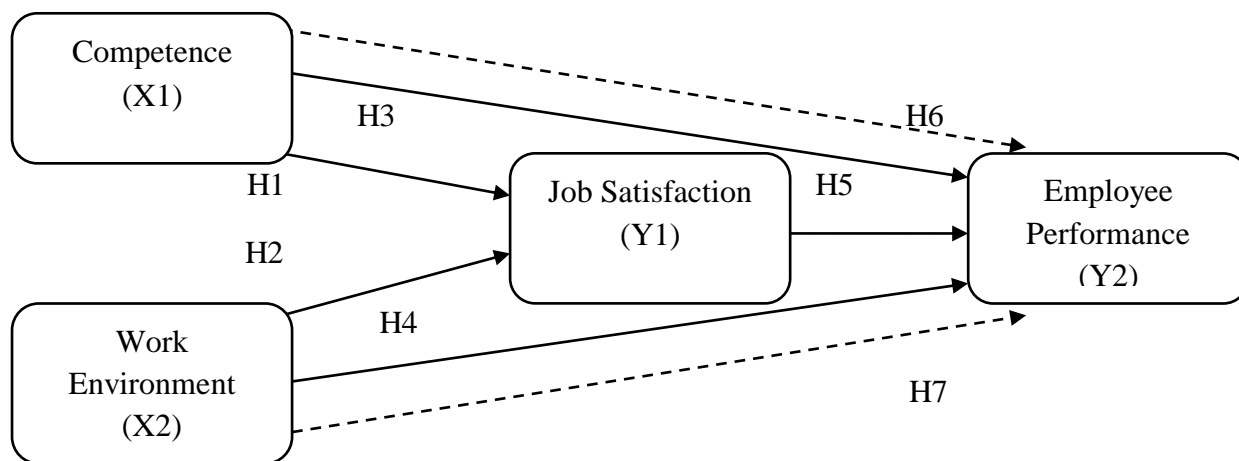


Figure 1: The Conceptual Model

RESEARCH METHOD

Location and Research Design

The research location in this study was PT. Sermani Steel Makassar. Meanwhile, the respondents were all employees’ of PT. Sermani Steel, amounting to 60 respondents. This research was conducted in June 2020.

Population and Sample

According to Dr. Husaini & Purnomo (2012: 181), the population is all values both calculated and measured or both in quantitative and in qualitative rather than certain characteristics concerning a group of objects that are complete and clear. The population of this study was all employees of PT. Sermani Steel Makassar, amounting to 60 people. The applied sampling technique was non-probability sampling in the form of a saturated sampling technique by taking all existing members of the population into samples, namely 60 people.

Data Collection Method

Primary data in this study were obtained from respondents through a questionnaire using a Likert scale as a measurement tool. Meanwhile, secondary data were demographic data, research location profiles, research reports, previous research journals, references, and related literature from various books and media.

DATA ANALYSIS

Validity and Reliability Test

No.	Variables/Indicators	Correlation Coefficient (r)	Cronbach' s Alpha	Description
1.	Competence (X1)		0.879	Reliabel
	Competence 1	0.580		Valid
	Competence 2	0.711		Valid
	Competence 3	0.467		Valid
	Competence 4	0.745		Valid
	Competence 5	0.670		Valid
	Competence 6	0.777		Valid
	Competence 7	0.609		Valid
	Competence 8	0.703		Valid
	Competence 9	0.815		Valid
	Competence 10	0.836		Valid
2.	Work Environment (X2)		0.896	Reliabel
	Work Environment 1	0.746		Valid
	Work Environment 2	0.769		Valid
	Work Environment 3	0.599		Valid
	Work Environment 4	0.796		Valid
	Work Environment 5	0.734		Valid
	Work Environment 6	0.727		Valid
	Work Environment 7	0.687		Valid
	Work Environment 8	0.706		Valid
	Work Environment 9	0.771		Valid
	Work Environment 10	0.693		Valid
3.	Job Satisfaction (Y1)		0.907	Reliabel
	Job Satisfaction 1	0.630		Valid
	Job Satisfaction 2	0.748		Valid
	Job Satisfaction 3	0.659		Valid
	Job Satisfaction 4	0.732		Valid
	Job Satisfaction 5	0.808		Valid
	Job Satisfaction 6	0.825		Valid
	Job Satisfaction 7	0.775		Valid
	Job Satisfaction 8	0.617		Valid
	Job Satisfaction 9	0.721		Valid
	Job Satisfaction 10	0.796		Valid
	Job Satisfaction 11	0.613		Valid
4.	Employee Performance (Y2)		0.892	Reliabel
	Employee Performance 1	0.666		Valid
	Employee Performance 2	0.838		Valid
	Employee Performance 3	0.667		Valid
	Employee Performance 4	0.738		Valid
	Employee Performance 5	0.567		Valid
	Employee Performance 6	0.655		Valid
	Employee Performance 7	0.741		Valid
	Employee Performance 8	0.729		Valid
	Employee Performance 9	0.827		Valid
	Employee Performance 10	0.738		Valid

In the table above, it can be seen that Cronbach's alpha value in all variables is > 0.6 which means that all variables are reliable. Furthermore, the correlation coefficient value is > 0.3 which means that all indicators in these variables are valid.

Hypothesis Testing

F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1495.642	2	747.821	134.174	0.000
	Residual	317.691	57	5.574		
	Total	1831.333	59			

Dependent Variabel: Job Satisfaction

Predictors: (Constant), Competence, Work Environment

Based on the test results, the calculated F value of 134.174 is much greater than the F table of 3.16 ($134.174 > 3.16$) with a significance level of 0.000 less than 0.05 ($0.000 < 0.05$). This shows that the competency variable (X1) and the work environment (X2) are feasible to explain the job satisfaction variable (Y1).

Model		Sum of Squares	Df	Mean Square	F	Sig.
2	Regression	1246.256	3	415.419	118.735	0.000
	Residual	195.927	56	3.499		
	Total	1442.183	59			

Dependent Variabel: Employee Performance

Predictors: (Constant), Competence, Work Environment, Job Satisfaction

Based on the test results, the calculated F value of 118.735 is much greater than the F table of 2.77 ($118.735 > 2.77$) with a significance level of 0.000 less than 0.05 ($0.000 < 0.05$). This shows that the competency variable (X1), work environment (X2), and job satisfaction (Y1) is appropriate to explain the employee performance variable (Y2).

T Test (Partial)

Variable	t	Sig.
Competence	2.931	0.005
Work Environment	12.712	0.000

Table 1. The Effect of Competence and Work Environment on Job Satisfaction

The results of the T-test (partial) to find out the effect of competence and work environment on job satisfaction indicate a sig. value of < 0.05 which means that competence and work environment have a significant effect on job satisfaction.

Variable	t	Sig.
Competence	1.254	0.215
Work Environment	2.435	0.018
Job Satisfaction	5.417	0.000

Table 2. The Effect of Competence, Work Environment, and Job Satisfaction on Employee Performance

From the results of the T-test (partial) in the table above, it can be seen that the sig. value of competence is > 0.05 which means that there is no significant influence between competence and employee performance. Furthermore, the variables of the work environment and job satisfaction have a sig. value of < 0.05 which means that there is a significant influence between the work environment and job satisfaction on employee performance.

Path Analysis Test Results

Hypothesis	Path Coefficient	t count	Sig.	Description
X1 -> Y1	0.185	2.931	0.005	Significant
X2 -> Y1	0.804	12.712	0.000	Significant
X1 -> Y2	0.076	1.254	0.215	Unsignificant
X2 -> Y2	0.268	2.435	0.018	Significant
Y1 -> Y2	0.637	5.417	0.000	Significant
X1 -> Y1 -> Y2	0.118		0.009	Significant
X2 -> Y1 -> Y2	0.512		0.000	Significant

DISCUSSION

Competence has a direct and significant effect on Job Satisfaction

Based on the results of this study, it shows that competence has a direct and significant effect on the job satisfaction of employees of PT. Sermani Steel Makassar. The results of data processing indicate that the value of t count $2.931 > t$ table 1.672 with a significant value of $0.005 < 0.05$. The results of this study are in line with the theory put forward by Spencer (in Nia Kusuma, 2017: 83), *competence is defined as the underlying characteristic of a person with regard to the effectiveness of the performance of an individual who has a causal relationship or as a cause-effect that is used as a benchmark, effective and superior performance in the workplace or in certain situations.* This is in line with the results of a study conducted by Deswarta entitled *“The Effect of Competence and Motivation on Lecturers’ Job Satisfaction and Performance at the Faculty of Tarbiyah and Teacher Training, UIN Sultan Syarif Kasim Riau (2017)”*. In her study, she found that competence and motivation significantly influence job satisfaction. In addition, Yudi Supiyanto in his research entitled *“The Effect of Compensation, Competence, and Organizational Commitment on Job Satisfaction and Performance of Cooperative Employees (2015)”* also obtained the same result that competence has a significant effect on job satisfaction of cooperative employees. With good competence, employees will easily complete their work according to their

respective competencies so that if the job is done properly, it will increase the level of job satisfaction of the employee.

Work Environment has a direct and significant effect on Job Satisfaction

Based on the results of this study, it indicates that the work environment has a direct and significant effect on the job satisfaction of employees of PT. Sermani Steel Makassar. The results of data processing indicate that the value of t count $12.712 > t$ table 1.672 with a significance value of $0.000 < 0.05$. The results of this study are in line with the theory put forward by Sedarmayanti (2020: 86) that the work environment is *all things that exist in the environment of workers both physical and psychological, in which a person works either as an individual or as a group*. This is in line with the results of research conducted by Mukti Wibowo entitled “*The Effect of Work Environment on Job Satisfaction of Employees of PT. Telekomunikasi Indonesia Tbk. Kandatel Malang (2014)*”. In his study, he found that the work environment has a significant effect on employees’ job satisfaction. In addition, Lulu Novela Sitinjak in her research entitled “*The Effect of Work Environment on Job Satisfaction of Employees of PT. Mitra Pinasthika Mustika Rent Tangerang Selatan (2018)*” also obtained the same result that the work environment has a significant effect on job satisfaction. This means that the more the physical and non-physical work environments in the company is, the more the employee job satisfaction will be.

Competence does not have a direct and significant effect on Employees’ Performance

Based on the results of this study, it shows that competence has no direct effect and does not have a significant effect on employee performance at PT. Sermani Steel Makassar. The results of data processing indicate that the value of t count $1.254 < t$ table 1.672 with the significance value of $0.215 > 0.05$.

This result is in line with the theory put forward by Payaman J. Simanjuntak (in Maria Devita, 2017: 2) that there are 3 factors that influence employee performance, namely (1) individual factors such as competence, (2) organizational support, and (3) management support. Therefore, it can be concluded that the factors that affect the performance of employees at PT. Sermani Steel Makassar does not come from individual factors such as competence but comes from organizational support or management support. After conducting interviews with several employees of PT. Sermani Steel, it can be concluded that all employees at the company always upgrade their respective competencies and always learn from their superiors if they do not understand the tasks given so that employees’ work competencies remain stable. In addition, before they are accepted to be permanent employees at the company, they must be tested by their superiors to see to what extent their competencies and abilities. In this case, before becoming permanent employees, they must become contract employees at first. After they pass and meet the criteria desired by the company, they will become permanent employees. That is why the work competence at PT. Sermani Steel is classified in a good category. Therefore, it does not affect the performance of its employees.

This is also in line with the study conducted by Anak Agung Ngurah et al. entitled “*The Effect of Motivation, Work Environment, Competence, and Compensation on Job Satisfaction and Employee Performance in the Public Works Office of Bali (2012)*”. In his study, he found that competence has no direct and significant effect on employee performance. In addition, Jon Maizar in his research entitled “*The Effect of Motivation, Competence, and Compensation on Employee*

Performance at PT. Perkebunan Nusantara VI (PERSERO) Pasaman Barat (2017)” also obtained the same results that competence has a negative and insignificant effect on employee performance. Therefore, it can be concluded that there are other factors that can affect performance besides competence.

Work Environment has a direct and significant effect on Employees’ Performance

Based on the results of this study, it shows that the work environment has a direct and significant effect on the performance of employees of PT. Sermani Steel Makassar. The results of data processing indicate the value of t count $5.417 > t$ table 1.672 with the significance value of $0.018 < 0.05$. The results of this study are in line with the theory put forward by Sedarmayanti (2020: 86) that the work environment is *all things that exist in the environment of workers both physical and psychological, in which a person works either as an individual or as a group*. This is in line with the results of research conducted by A. Aji Tri Budianto and Amelia Katini entitled “*The Effect of Work Environment on Employee Performance at PT. Perusahaan Gas Negara (Persero) Tbk Sbu for Distributional Region I Jakarta (2015)*”. In their study, they found that the work environment has a significant effect on employee performance. In addition, Aditya Nur Pratama in his research entitled “*The Effect of Work Environment and Work Discipline on Employee Performance of PT. Razer Brothers (2016)*” also obtained the same result that the work environment has a significant effect on employee performance. This indicates that the better and more adequate the work environment in a company is, the better the employee performance will be. Therefore, company goals will be easily achieved.

Job Satisfaction has a direct and significant effect on Employees’ Performance

The results of this research indicate that job satisfaction has a direct and significant effect on the performance of employees of PT. Sermani Steel Makassar. The results of data processing show that the value of t count $5.417 > t$ table 1.672 with the significance value of $0.000 < 0.05$. This is in line with Robbins’ theory in Yoyo Sudaryo et al. (2018: 75) that *job satisfaction is the general attitude of an individual to his job*. In other words, a person with a high level of job satisfaction has a positive attitude towards his job.

This theory is in line with research conducted by Iwan Kurnia Wijaya entitled “*The Effect of Job Satisfaction on Employee Performance at CV. Bukit Sanomas (2018)*”. In his study, he found that job satisfaction has a significant effect on employee performance. In addition, Oxy Rindiantika Sari and Heru Susilo in their research entitled “*The Effect of Job Satisfaction on Employee Performance with Organizational Citizenship Behavior as an Intervening Variable for Employees of PTPN X - Modjopangoong Sugar Factory Business Unit, Tulungagung (2018)*” also obtained the same results that job satisfaction has a significant effect on employee performance. Therefore, it can be concluded that achieving employee job satisfaction will influence and improve employee performance.

Competence has an indirect and significant effect on Employees’ Performance through Job Satisfaction

The results of this study indicate that competence towards employee performance through job satisfaction shows a significant effect. The results of data processing show that the indirect effect is 11,8% with a significance value of $0.009 < 0.05$. It is in line with the theory put forward by Dessler

(2018: 183) that competence is defined as *the characteristics of a person that can be demonstrated, which includes knowledge, skills, and behaviors that can produce performance and achievement*. If an employee has good competence, it will have an impact on the employee's level of satisfaction towards his/her job. This is also in line with the opinion expressed by Robbins (in Made Galuh, 2017: 133) that someone with a high level of job satisfaction will show a positive attitude towards the job or vice versa.

This theory is in line with the research conducted by Galih Rudi Prasyanto entitled "*The Effect of Employee Competence on Performance with Job Satisfaction as an Intervening Variable at the Production Section of PT. Dok dan Perkapalan, Surabaya (2017)*". In his study, he found that competence towards performance through job satisfaction has a significant effect. In addition, Pujiarti in his research entitled "*The Effect of Competence and Compensation on Employee Performance with Job Satisfaction as an Intervening Variable at PT. Pilar Guna Usahatama (2019)*" also obtained the same result that competence on employee performance through job satisfaction has a significant effect. Therefore, it can be concluded that job satisfaction can mediate the effect of competence on employee performance at PT. Sermani Steel Makassar. With good competence possessed by an employee, it will increase their job satisfaction which indirectly will also improve their performance.

Work Environment has an indirect and significant effect on Employees' Performance through Job Satisfaction

The results of this study indicate that work environment towards employee performance through job satisfaction shows a significant effect. The results of data processing show that the indirect effect is 51,2% with a significance value of $0.000 < 0.05$. This is in line with the theory put forward by Nitisemito (2006) that *the work environment is everything that surrounds the employees that can affect them in carrying out their duties*. This is also in line with the opinion expressed by Robbins (in Made Galuh, 2017: 133) that someone with a high level of job satisfaction will show a positive attitude towards the job. This theory is in line with research conducted by Lukiyana and Halima entitled "*The Effect of Compensation and Work Environment on Employee Performance with Job Satisfaction as an Intervening Variable at PT. Pacific Metro International Jakarta (2016)*". They found that the work environment on employee performance through job satisfaction has a significant effect and job satisfaction can absolutely mediate the influence of the work environment on employee performance. In addition, Nurul Fathonah in his research entitled "*The Effect of Work Environment on Performance through Satisfaction as an Intervening Variable at the BPS Office of Yogyakarta (2017)*" also obtained the same result that the work environment has a positive effect on performance mediated by job satisfaction. It can be concluded that a good and adequate work environment will affect the job satisfaction of the employees which will indirectly affect the employees' performance.

CONCLUSION

Based on this research concerning the influence of competence and work environment on performance with job satisfaction as an intervening variable, the conclusions are as follows:

1. Competence has a direct and significant effect on employees' job satisfaction at PT. Sermani Steel Makassar.

2. Work environment has a direct and significant effect on employees' job satisfaction at PT. Sermani Steel Makassar.
3. Competence has no direct and significant effect on employees' performance at PT. Sermani Steel Makassar.
4. Work environment has a direct and significant effect on employees' performance at PT. Sermani Steel Makassar.
5. Job satisfaction has a direct and significant effect on employees' performance at PT. Sermani Steel Makassar.
6. Competence has an indirect and significant effect on employee performance with job satisfaction as a mediating variable at PT. Sermani Steel Makassar.
7. Work environment has an indirect and significant effect on employee performance with job satisfaction as a mediating variable at PT. Sermani Steel Makassar.

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