

ABSTRACT

Human Resource Management (HRM) plays a crucial role with a systematic, structured, and sustainable function—not only to achieve organizational goals and improve company performance, but also to develop a workforce management system that is adaptive to current industrial developments. Workforce planning and compensation management in subcontractor companies often pose significant challenges that affect operational efficiency. Given the nature of subcontractor employees—many of whom are contract-based or freelancers—companies must effectively manage their human resources to ensure sustained business performance.

This study aims to provide an overview and analyze the influence of Workforce Planning and Workforce Compensation on the Performance of Subcontractor Companies in Jakarta, both partially and simultaneously. The research employed a quantitative method with a descriptive and causal approach. The population consisted of 110 employees from subcontractor companies, using a census sampling technique. Data were analyzed using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) approach, assisted by SmartPLS version 4.

The results of the study indicate that: (1) Hypothesis H1 is accepted—Workforce Planning has a positive and significant effect on Company Performance (T-statistic = 2.205; P-value = 0.0028); (2) Hypothesis H2 is accepted—Workforce Compensation has a positive and significant effect on Company Performance (T-statistic = 10.286; P-value = 0.000); and (3) Hypothesis H3 is accepted—Workforce Planning and Compensation simultaneously have a significant positive effect on Company Performance (T-statistic = 8.587; P-value = 0.000). These findings highlight the importance of structured workforce planning and an effective compensation system in supporting the performance of subcontractor companies.

Keywords: Workforce Planning, Workforce Compensation, Company Performance, Subcontractor, Structural Equation Modeling (SEM).