

ABSTRACT

The purpose of this research is to test the influences of empowerment production employee and increasing production processing on product quality to increase company performance. Using these variables, the usage of these variables are able to solve the arising problem within PT. Krakatau Steel. Statement of this problem is how increase company performance through empowerment production employee, increasing production processing, and product quality?.

The population size of this research is 3677 production employee PT. Krakatau Steel. The samples size of this research is 155 production employee PT. Krakatau Steel. Using the Structural Equation Modeling (SEM). The results show that empowerment production employee and increasing production processing on product quality to increase company performance.

The effect of product quality on company performance are significant; the effect of empowerment production employee on product quality are significant; the effect of increasing production processing on product quality are significant; the effect of empowerment production employee on company performance are not significant; and the effect of increasing production processing on company performance are not significant. Management of PT. Krakatau Steel should to increase empowerment production employee, increasing production processing, product quality and to impact company performance.

Keywords: empowerment production employee, increasing production processing, product quality, and company performance.