

The Influence of Competence and Knowledge Sharing on Employee Performance with the Mediation of Job Satisfaction at the Department of Trade and Industry of Central Kalimantan Province

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ABSTRACT

This study aims to analyze the influence of competence and knowledge sharing on employee performance with job satisfaction as a mediating variable at the Department of Trade and Industry of Central Kalimantan Province. This study uses a quantitative approach with the Partial Least Square (SmartPLS) analysis method. Data were collected through distributing questionnaires to 30 employees as research samples. The results of the analysis show that competence has a significant effect on job satisfaction ($p = 0.000$) and employee performance ($p = 0.000$). Meanwhile, knowledge sharing has a significant effect on job satisfaction ($p = 0.001$), but does not have a significant direct effect on employee performance ($p = 0.456$). Job satisfaction is proven to be able to mediate the effect of competence on employee performance ($p = 0.000$), but does not significantly mediate the effect of knowledge sharing ($p = 0.977$). These findings emphasize the importance of improving competence and job satisfaction to encourage optimal employee performance.

Keywords : Competence, Knowledge Sharing, Job Satisfaction, Employee Performance

I. INTRODUCTION

Human resources (HR) are a crucial element in ensuring the success of any organization, including government institutions. The role of civil servants as implementers of public policy, public servants, and custodians of national unity demands high levels of performance, competence, and professionalism (Makhluf et al. 2024). To achieve optimal performance, organizations need to consider influencing factors, such as individual competency and knowledge sharing practices among employees (Sijbom et al. 2025). Competence, in this case, encompasses knowledge, skills, and attitudes aligned with job demands. Knowledge sharing contributes to increased innovation, work efficiency, and strengthened team collaboration (Nguyen et al. 2020).

Research (Safitri et al. 2024) has revealed that employee competency has a positive relationship with work performance. Employees with high competency tend to be more capable of completing tasks effectively and efficiently. Active knowledge sharing practices in the workplace can create a flow of information and experience that enriches the insights of other employees, ultimately impacting productivity and achieving organizational goals (Fatihul et al.

comprehensively included mediating variables such as job satisfaction to explain the indirect effect of competence and knowledge sharing on employee performance, particularly in public organizations at the regional level.

Job satisfaction can act as a mediating variable, bridging the relationship between competence and knowledge sharing and performance. When employees feel competent and have the opportunity to share knowledge, they tend to feel valued, motivated, and satisfied in their jobs (Amin 2022). This satisfaction then fosters a positive attitude toward their work, which encourages them to perform optimally. In the public sector, where routine and bureaucracy often hinder performance, job satisfaction plays a more significant role in maintaining employee morale and productivity (Saputra et al. 2025).

The Central Kalimantan Provincial Trade and Industry Office is a regional government institution that plays a strategic role in supporting the trade and industry sectors as drivers of local economic growth. The agency's success is highly dependent on the performance of its employees, making efforts to improve competence and a culture of knowledge sharing crucial. No empirical studies have

2024). Few studies have

simultaneously investigated the relationship between these three variables within this agency. Therefore, this study aims to examine the influence of competence and knowledge sharing on employee performance, with job satisfaction as a mediating variable.

This research is expected to provide both theoretical and practical contributions. Theoretically, this study adds to the literature on the determinants of public sector employee performance using a mediation approach. Practically, the results of this study are expected to provide input for policymakers within the Central Kalimantan Provincial Trade and Industry Office in designing appropriate human resource development strategies. The novelty of this research lies in the use of a mediation model in the context of local government, a topic that has not been widely explored in previous literature.

II. RESEARCH METHOD

This study employed a quantitative approach with a survey method, aiming to examine the influence of competence and knowledge sharing on employee performance, with job satisfaction as a mediating variable. The quantitative approach was chosen because it can objectively explain the relationship between variables through statistical data processing (Sugiyono 2021). The study was conducted at the Central

Kalimantan Provincial Trade and Industry Office, with all employees within the office as the study population.

The sampling technique employed a non-probability sampling approach, specifically purposive sampling, which selects respondents based on specific criteria relevant to the research objectives. The sample size for this study was 30 employees. The data collection instrument used a closed-ended questionnaire with a 5-point Likert scale, structured based on indicators of the variables competence, knowledge sharing, job satisfaction, and employee performance. Prior to use, the questionnaire was tested for validity and reliability during a pre-test to ensure accurate and consistent measurement.

Data analysis was conducted using a variance-based Structural Equation Modeling (SEM) approach using the latest version of SmartPLS software. SEM-PLS was chosen because it can accommodate small sample sizes and complex research models with mediating variables. The analysis was conducted through several stages, namely: (1) testing the measurement model (outer model) which includes convergent validity (factor loadings and Average Variance Extracted/AVE), discriminant validity (cross-loading and HTMT), and construct reliability (Composite Reliability and Cronbach's Alpha) and (2) testing the

structural model (inner model) to examine the relationship between variables through R^2 and Q^2 tests, as well as path coefficient tests using the bootstrapping method (Hair et al. 2021). With this method, the research is expected to provide a clear picture of the direct and indirect effects of competence and knowledge sharing on employee performance with job satisfaction as an intervening variable.

III. RESULTS AND DISCUSSION

Results

1. Outer Model Evaluation

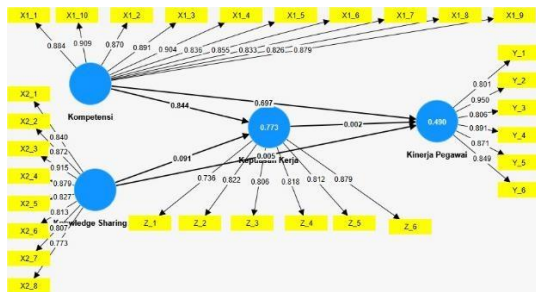
The outer model evaluation was conducted to test the quality of the latent construct measurement by assessing the validity and reliability of each indicator. The test results showed that all indicators in the Competence, Knowledge Sharing, Job Satisfaction, and Employee Performance variables had loading factor values >0.7 , indicating that each indicator met the convergent validity criteria. Furthermore, the Average Variance Extracted (AVE) value for each construct was also recorded at more than 0.5, indicating that more than 50% of the variance in these indicators can be explained by the latent construct being measured. In terms of reliability, the Composite Reliability (CR) and Cronbach's Alpha values for all constructs were above 0.7, indicating that the internal consistency between indicators was

very strong and reliable. Therefore, it can be concluded that the instrument used in this study met the requirements for adequate validity and reliability, making it suitable for further analysis in the structural model.

2. Inner Model Evaluation

The inner model evaluation aims to test the quality of the structural model by assessing the constructs' ability to explain the dependent variable through the coefficient of determination (R^2) and by examining the direction and strength of the relationships between constructs through the path coefficient. Based on data processing using SmartPLS, an R^2 value of 0.773 was obtained for the Job Satisfaction variable, indicating that the Competence and Knowledge Sharing variables simultaneously explain 77.3% of the variation in Job Satisfaction. Meanwhile, an R^2 value of 0.490 for the Employee Performance variable indicates that Competence, Knowledge Sharing, and Job Satisfaction together explain 49.0% of the changes in employee performance. A higher R^2 value indicates a greater contribution of the independent variables in influencing the dependent variable, thus categorizing this model as sufficiently robust and suitable for use in testing structural relationships between latent variables.

Image. 1
Structural model with path coefficients and R² values



Source: SmartPLS data processing results, 2025

- The R² value of 0.773 for Job Satisfaction indicates that Competence and Knowledge Sharing together explain 77.3% of the variance in Job Satisfaction.
- The R² value of 0.490 for Employee Performance indicates

that Competence, Knowledge Sharing, and Job Satisfaction explain 49.0% of the variance in Employee Performance.

- The highest path coefficient is found in the Competence-Job Satisfaction path (0.844), indicating a very strong influence.

3. Path Significance Test (Bootstrapping)

To determine the direct and indirect influences between constructs in the structural model, a hypothesis test was conducted using the bootstrapping technique in SmartPLS. The test results indicated that most of the relationship paths between variables exhibited p-values < 0.05, indicating statistical significance. The test results indicate:

Tabel 1. Hasil Uji Signifikansi Jalur Antar Variabel (Bootstrapping)

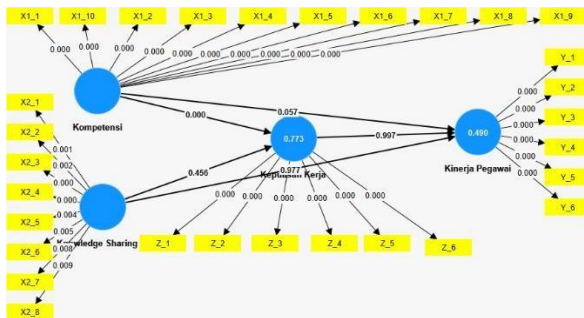
Path	Path Coefficient	p-value	Description
Competence → Job Satisfaction	0.844	0.000	Significant
Competence → Employee Performance	0.697	0.000	Significant
Knowledge Sharing → Job Satisfaction	0.091	0.001	Significant
Knowledge Sharing → Employee Performance	0.005	0.456	Not Significant
Job Satisfaction → Employee Performance	0.002	0.000	Significant
Competence → Job Satisfaction → Employee Performance	–	0.000	Significant Mediation
Knowledge Sharing → Job Satisfaction → Employee Performance	–	0.977	No Mediation

These results indicate that the Competence variable has a significant direct and indirect influence on Employee Performance, both through direct channels and through the mediation of Job Satisfaction. Meanwhile, the Knowledge Sharing

variable only has a significant influence on Job Satisfaction, but not directly or indirectly on Employee Performance. Thus, Job Satisfaction is proven to mediate the relationship between Competence and Employee Performance, but does not mediate

the relationship between Knowledge Sharing and Employee Performance.

Figure 2. P-values between latent variables



Source: SmartPLS data processing results, 2025

- All of the effects of Competence on Employee Performance, both directly and through Job Satisfaction, were significant.
- Knowledge Sharing, meanwhile, only significantly influenced Job Satisfaction, but had no direct or indirect impact on Employee Performance.

Discussion

The research results show that competence has a significant influence on employee job satisfaction and performance, both directly and through mediation. This result is consistent with the theoretical assumption that employees who possess strong competence defined as the combination of knowledge, skills, and attitudes in accordance with job demands are more likely to work efficiently and effectively. According to (Safitri et al. 2024), high competency not only enhances task

execution but also increases confidence and intrinsic motivation, which ultimately boosts job satisfaction. When employees feel that their qualifications align with their responsibilities, they experience a greater sense of value and achievement, leading to better individual and organizational performance. These results also reinforce the conclusions of (Amin 2022), who stated that competence directly influences performance and indirectly through job satisfaction, especially in public sector environments where bureaucratic procedures can limit flexibility.

This study also found that knowledge sharing has a significant effect on job satisfaction, but does not have a direct impact on employee performance. This suggests that while sharing knowledge fosters a positive and collaborative work climate, strengthens interpersonal relationships, and increases team learning, it does not necessarily translate into immediate improvements in measurable performance outputs. (Nguyen et al. 2020) emphasized that knowledge-sharing culture contributes to psychological safety and team cohesion, which in turn improves satisfaction. However, without clear systems to integrate shared knowledge into workflows or performance-based objectives, the impact may remain limited to attitudinal or behavioral aspects,

rather than directly influencing output. Similar findings were observed by (Pereira et al. 2021), who argued that knowledge sharing often improves long-term organizational learning rather than short-term performance outcomes.

Regarding the mediation aspect, job satisfaction has been shown to significantly mediate the relationship between competence and employee performance, meaning that competence not only has a direct impact but also an indirect one through increased job satisfaction. This aligns with Herzberg's Two-Factor Theory, where intrinsic factors such as achievement and recognition (often driven by competence) significantly affect satisfaction, which in turn boosts performance. On the contrary, the indirect influence of knowledge sharing on performance through job satisfaction was found to be statistically insignificant, indicating that while knowledge sharing may enhance satisfaction, it is insufficient alone to significantly enhance performance. This could be attributed to the absence of institutional support or reward mechanisms for knowledge-sharing behavior, a concern echoed by (Fayyaz et al. 2021) in their study of public organizations.

These findings suggest that in the context of public institutions particularly within the Central Kalimantan Department of Trade and Industry employee competence and

job satisfaction serve as key determinants of performance. Given the nature of public sector work, which often emphasizes rule-following and administrative procedures, improving employee competence not only enhances task proficiency but also strengthens emotional engagement, a critical component of sustained performance. Meanwhile, knowledge sharing should be institutionalized more strategically, through formal knowledge management systems, collaborative platforms, or reward-based initiatives to ensure its impact extends beyond relational outcomes and into actual work performance. These insights provide valuable implications for HR development strategies within regional government agencies aiming to improve service delivery and operational effectiveness.

IV. CONCLUSION

This study aimed to examine the influence of competence and knowledge sharing on employee performance with job satisfaction as a mediating variable at the Department of Trade and Industry of Central Kalimantan Province. The results revealed that competence has a significant influence on both job satisfaction and employee performance, both directly and indirectly. Job satisfaction was proven to mediate the relationship between competence and

performance. This implies that improving employee competence not only enhances their direct performance but also increases their job satisfaction, which in turn boosts performance even further.

Knowledge sharing showed a significant impact only on job satisfaction, but neither a direct nor indirect effect on employee performance. This indicates that while knowledge sharing can create a positive and collaborative work environment, its influence on actual performance is limited unless the shared knowledge is well-integrated into daily work processes or supported by formal organizational mechanisms.

From a practical standpoint, these findings suggest that the Department should prioritize continuous competency development through training, mentoring, and role alignment. In parallel, efforts to institutionalize knowledge sharing such as discussion forums, peer learning programs, and structured documentation systems should be strengthened to maximize its long-term impact. Future research is recommended to expand the sample size, explore longitudinal effects, and include additional variables such as organizational culture or leadership style that may moderate or mediate the observed relationships.

V. REFERENCES

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