



## The Effects of Leadership, Competence, and Organizational Culture on Employee Performance Mediated By Employee Satisfaction

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#### Abstract:

Improving employee performance is an important and mandatory thing to be realized, especially in local government organizations. This study aims to determine and analyze the influence of leadership, competence and organizational culture on employee performance mediated by employee job satisfaction. This research was conducted on the employees of the Department of Investment and One Stop Services (DPMPTSP) of Yapen Islands Regency with a population of 32 employees, where all employees were used as samples. The independent variables in this study are leadership, competence and organizational culture, while the dependent variable is employee performance mediated by job satisfaction. The research data was obtained by distributing questionnaires and then measuring the variables using a Likert scale. Furthermore, the data were analyzed using a Structural Equation Model (SEM) approach based on Partial Least Square (PLS), namely Smart-PLS version 3. The results showed that: 1) leadership had no significant effect on employee performance, but had a significant effect on job satisfaction; 2) competence has a significant effect on employee performance, but is not significant in influencing job satisfaction; 3) organizational culture has a significant effect on employee performance and job satisfaction; 4) job satisfaction has a significant effect on employee performance; 5) job satisfaction can mediate the relationship of leadership to employee performance, but cannot mediate the relationship of competence and organizational culture to employee performance.

Keywords: leadership; competence; organizational culture; job satisfaction; employee performance

#### I. Introduction

The Office of Investment and One-Stop Integrated Services (DPMPTSP), which exists in many Indonesian regencies, is a local organization with a specific task to manage and provide assistance related to local investment (Kojo et al., 2019). The vision of DPMPTSP is to provide excellent service and business convenience at the local level. To achieve this vision, the DPMPTSP is required to immediately carry out licensing/non-licensing services online using the Online Single Submission (OSS) and Si Cantik Cloud applications. Using online applications for licensing services allows the business and investment in the local area to increase due to the easiness and process transparency. In addition, it will be easier for business practitioners and investors to obtain information related to licensing services, faster to register for licensing online, and less consuming time to issue the permits (Warokka, 2010).

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Related to the observed local organization (the Yapen Islands Regency' DPMPTSP), it could not implement an integrated licensing service system using the OSS and Si Cantik Cloud applications. One of the obstacles is the inadequate office internet facilities. Therefore, the non-operation of the integrated licensing service system indicates that the observed local organization is still not optimal.

Several previous researchers have examined the factors that affect the performance of DPMPTSP employees in various regions in Indonesia. For instance, organizational culture (Yulianto & Ali, 2017), work motivation (Subriah et al., 2020), and leadership (Rahmat et al., 2020). In addition, the are other factors as well, for instance, work environment (Khaeriah et al., 2020), competence (Khaeriah et al., 2020), job satisfaction (Fitri et al., 2020), training (Fitri et al., 2020; Khaeriah et al., 2020), work discipline (Subriah et al., 2020), and compensation (Wiadnyana et al., 2021). From these many factors, the researcher chose several factors included in the initial survey to find out which factors had the most influence on the performance of employees at the observed local organization. Thus, the respondents could choose more than one factor that had the most influence on employee performance.

In the context of the observed local organization, the results of the initial survey analysis showed that more than 50% of employees chosen four influencing factors of employee performance. The four factors are organizational culture (90.6%), competence (81.3%), leadership (81.3%), and job satisfaction (65.6%). Furthermore, these four factors will be the studied variables in this study to analyze their influence on employee performance.

Leadership is a critical factor in public sector organizations because managing the employees will determine the organization's success in the future (Kaiser et al., 2008). Previous studies found differences in leadership impacts on employee performance in various regions in similar observed organizations. For instance, Subriah et al. (2020) examined the performance of employees at Majene Regency's DPMPTSP. They found that performance appraisal and feedback were the indicators of leadership that had the most considerable influence on employee performance. Furthermore, Rahmat et al. (2020) found that leaders who have good communication with employees and involve employees in decision-making have the highest average score on employee performance at Makassar's DPMPTSP.

Furthermore, to realize the success of public services in the current era of digitalization, talented human resources are needed (Mazurchenko & Maršíková, 2019). Many employees had not undergone education, and training led to the low level of serving the community. Khaeriah et al. (2020) and Fitri et al. (2020) found that the competency factor is an essential factor that significantly affects the performance of Barru Regency's DPMPTSP employees.

#### II. Review of Literatures

#### 2.1. Employee Performance

According to Bernardin and Russell (2013), performance results from a particular job function and within a certain period. The work results are the results of the abilities, skills, and desires achieved. Various factors can affect employee performance, and these factors are essential to improve a particular series of activities to achieve predetermined organizational goals (Spencer & Spencer, 1993).

#### 2.2. Leadership

Previous empirical findings show that leadership factors significantly influence employee performance. Those findings confirmed the influence of leadership on employee performance in the public sector. Pudyaningsih et al., (2020), also found a leadership that provides support, growth opportunities, and pays attention to employee needs strongly influences employee performance in the public sector. Talented leaders will be able to identify the basic needs of employees and have a commitment to meet these employee needs effectively (Braun et al., 2013). When the needs and desires of employees are met, it will affect improving performance, and employees are satisfied with their work (Okaychukwu, 2017). Shahab and Nisa (2014) and Pudyaningsih et al. (2020) also found that the better the leadership role, the higher the job satisfaction of employees in the public sector. Based on the theory and previous empirical findings, the proposed hypotheses are as follow:

H1: Leadership affects the employee performance

**H2**: Leadership affects the job satisfaction

#### 2.3. Competence

Salman et al. (2020) found that the competencies possessed by employees in the form of team competencies, social competencies, communication competencies had a positive and significant influence on the organizational performance of public and private sector banks. The better the competencies possessed by employees, the better the performance of the employees produced (Jusmin et al., 2016). More specifically, Sulantara et al. (2020) can prove that employee competence significantly affects employee performance in Bali Province's DPMPTSP. Jusmin et al. (2016) Finding high competence will encourage employees to feel more satisfied with their work. Based on prior empirical findings, the proposed hypotheses are as follow:

**H3**: Competence affects the employees' performance

**H4**: Competence affects the job satisfaction

#### 2.4. Organizational Culture

Organizational culture is a dynamic force in a rotating, engaging, and interactive organization that employees, management, attitudes, and behavior shape the culture simultaneously (Schein, 2004). Organizations with a strong culture will create outstanding employee personalities and support continuous employee improvement (Kawiana et al., 2018). Other than that, Makawi et al. (2020), and Maryati et al. (2019) found a significant influence of organizational culture on employee performance. Researchers have proven that organizational culture significantly influences job satisfaction (Al-Sada et al., 2017). Therefore, based on the prior empirical findings, the proposed research hypotheses are as follow:

H5: Organizational culture affects the employees' performance

H6: Organizational culture affects the job satisfaction

#### 2.5. Job Satisfaction

Galup et al. (2008) found that high levels of employee satisfaction usually contribute to the success of an organization, while poor job satisfaction can undermine that success. When the employee is satisfied with the salary and other things he receives from the company, satisfaction becomes the impetus to work better and increases performance (Fitri et al., 2020). Previous researchers have confirmed the significant effect of job satisfaction on employee performance (Jusmin et al., 2016; Kawiana et al., 2018). More specifically, Shahab and Nisa (2014) found that job satisfaction significantly affects employee performance in the public sector. Based on the theory and empirical findings, the proposed seventh hypothesis is as follow:

H7: Job satisfaction affects the employees' performance

Previous empirical findings indicate that employee job satisfaction can mediate the effects of various human resource management practices on employee performance (Fried et al., 2008). For example, leaders who pay attention to and meet the needs of subordinates will be able to improve job satisfaction so that subordinates will be inspired to provide better performance. Thus, job satisfaction factors can mediate the relationship of leadership to employee performance (Makawi et al., 2020; Pudyaningsih et al., 2020). Satisfied employees are highly motivated to provide good service to customers (Makawi et al., 2020). In addition, Jusmin et al. (2016) found that job satisfaction has a mediating effect in the relationship between competence and employee performance. Besides being able to mediate the effects of leadership and competence on employee performance, other empirical findings also prove that job satisfaction can mediate the influence of organizational culture on employee performance (Makawi et al., 2020). Based on the previous empirical findings, the proposed eighth, the ninth, and the tenth hypothesis are as follow, respectively:

H8: The effect of leadership on employee performance mediated by job satisfaction

H9: The effect of competence on employee performance mediated by job satisfaction

H10: The effect of organizational culture on employee performance mediated by job satisfaction

The proposed ten hypotheses in this study are then summarized in the following research model (Figure 1).

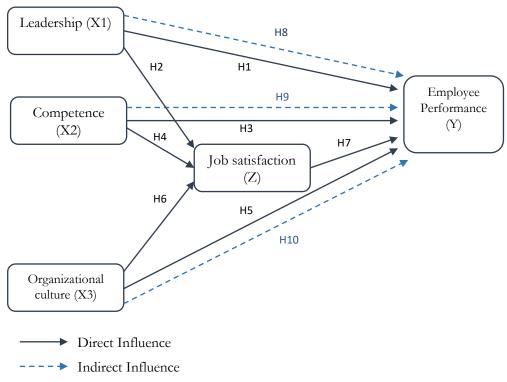


Figure 1. Research Model

#### III. Research Methods

This study uses quantitative research methods that use specific techniques to test theories and examine the relationship between variables in one study. The research data was obtained directly from filling out the compiled questionnaires by using a 5-point Likert scale. The respondents in this study were all employees of Yapen Islands Regency's DPMPTSP, totaling 32 people. The saturated sampling technique was used for sampling because the total population was small.

The research hypothesis was tested using a Structural Equation Model (SEM) approach based on Partial Least Square (PLS). PLS is an alternative Structural Equation Modeling method in dealing with very complex variables, abnormal data distribution, and small data sample size (sample <100). Chin (2010) recommends that for reporting the results of the PLS analysis, it is better to use a two-step approach or a two-step approach, namely the evaluation of the measurement or the outer model and the evaluation of the model or the inner model (Hair et. al., 2016).

#### IV. Results and Discussion

The characteristics of the respondents are first analyzed to determine whether the pattern of answers of each respondent will have the same or not. In this study, the characteristics of the respondents were gender, age, education level, and level of structural position (table 1).

Table 1. Characteristics of Research Respondents

Category Number of Page 1. Characteristics of Research Respondents						
Category	Alternative Answer	Respondents	Percent (%)			
Gender	Male	15	46.9			
Gender	Female	17	53.1			
	26 – 30 Years	1	3.1			
	31 - 35 Years	5	15.6			
	36 - 40  Years	6	18.8			
Age	41 - 45  Years	11	34.4			
	46 - 50  Years	6	18.8			
	51 – 55 Years	2	6.2			
	56 – 58 Years	1	3.1			
	High School	4	12.5			
Level of education	3-year Diploma	2	6.2			
Level of education	Bachelor Degree	22	68.8			
	Master Degree	4	12.5			
	II.a	1	3.1			
	III.a	1	3.1			
Echelon	III.b	4	12.5			
	IV.a	15	46.9			
	Functional Staff	11	34.4			

Based on the results of the analysis of the characteristics of the respondents, it can be seen that the observed local organization is dominated by female employees (53%), in the age range of 41-45 years (34.4%), undergraduate graduates (S1) (68 .8%), and with echelon IV.a (46.9%). Employees at the observed local organization are dominated by productive age employees and have a good level of education. Therefore, it is expected to produce maximum performance.

Furthermore, the respondents' answers are used to determine the perceptions or opinions given by the respondents to each variable. Therefore, the analysis is undertaken to calculate the average value of respondents' responses to each question. An interval scale, which is calculated from the highest score minus the lowest score divided by five, to categorize respondents' answers, is 0.80 (Sugiyono, 2013). Based on Sugiyono (2013), the categorization system is as follows: 1.00 – 1.80 (very low); 1.81 – 2.60 (low); 2.61 – 3.40 (moderate); 3.41 – 4.20 (high); and 4.21 – 5.00 (very high). Table 2 presents the distribution of respondents' opinions.

Table 2. Description of Respondents' Answers

<b>T</b> 74	Table 2. Description of F				C-4
Y1	Employee Performance (Y)	Total	N	mean	Category
Y1.1	I can complete work according to standards.	128	32	4.00	High
Y1.2	My work is completed on time according to standards.	119	32	3.72	High
Y1.3	I commit to carry out and complete the work.	131	32	4.09	High
Y1.4	I am used to maintaining cooperative relationships with colleagues in completing organizational tasks.	137	32	4.28	High
Y1.5	I always take the initiative to complete assignments and provide feedback on work	132	32	4.13	High
	Average Employee Performance Var	iable (Y)		4.04	High
<b>X</b> 1	Leadership (X1)	Total	$\mathbf{N}$	mean	Category
X1.1	Leaders are fair and objective towards all employees	133	32	4.16	High
X1.2	1 ,		32	4.38	Very high
X1.3	Leaders always convey goals that can be achieved from the input in work	132	32	4.13	High
X1.4	Leaders consider ability on the job	132	32	4.13	High
X1.5	Leaders can decide and solve problems at work	133	32	4.16	High
X1.6	Leaders in their behavior, actions, and words should be an excellent example for the organization.	135	32	4.22	Very high
X1.7	Leaders can make positive changes to subordinates at work	133	32	4.16	High
X1.8	Leaders give pride to the work of 137 32 subordinates.		32	4.28	Very high
	Leadership Variable Mean (X1) 4.20				
<b>X2</b>	Competence (X2)	Total	$\mathbf{N}$	mean	Category
X2.1	I have a strong sense of purpose in doing work	132	32	4.13	High
X2.2	I am ready to work hard in doing the job	132	32	4.13	High
X2.3	I am responsible for every job	132	32	4.13	High
X2.4	With the knowledge I have, I can complete the given task	136	32	4.25	Very high
X2.5	I can use work equipment such as computers, and others related to internet access.	123	32	3.84	High
	Average Competency Variable (			4.09	High
X3	Organizational Culture (X3)	Total	N	mean	Category
X3.1	I have broad opportunities and am proactive in improving the work management system, creating new ideas, and working in completing work.	127	32	3.97	High

X3.2	If a problem arises at work, always solve it together	138	32	4.31	Very high
X3.3	Assignments are given according to my abilities and expertise.	130	32	4.06	High
X3.4	I can utilize all lines of communication for task execution and completion	139	32	4.34	Very high
X3.5	Leaders provide support in the form of communication when obstacles are	143	32	4.47	Very high
X3.6	found in completing work  I have a strong desire to achieve organizational goals	133	32	4.16	High
X3.7	When faced with a task problem, I was given the freedom to present it to find	142	32	4.44	Very high
	the best solution with the leaders and co-workers. In the organization, a democratic	141	32	4.41	, 0
X3.8	communication pattern between leaders and subordinates makes it easier for employees to convey personal ideas and opinions.		<b>0-</b>		Very high
	Average Organizational Culture Varia	able (X3)		4.27	Very high
$\overline{\mathbf{z}}$	0 0				
	Job Satisfaction (Z)	Total	N	mean	Category
$\frac{\mathbf{Z}}{\mathbf{Z}.1}$	. , ,	Total 83	<b>N</b> 32		
	I am satisfied with my current salary I am satisfied with my current job			mean	Category
	I am satisfied with my current salary I am satisfied with my current job because I get the opportunity to learn, and the responsibilities of the	83	32	<i>mean</i> 2.59	Category
Z.1	I am satisfied with my current salary I am satisfied with my current job because I get the opportunity to learn, and the responsibilities of the leadership I am satisfied with the opportunity to grow (Promotion) at DPMPTSP	83 124 119	32 32 32	2.59 3.88	Category Low
Z.1 Z.2	I am satisfied with my current salary I am satisfied with my current job because I get the opportunity to learn, and the responsibilities of the leadership I am satisfied with the opportunity to grow (Promotion) at DPMPTSP Internal supervision in DPMPTSP is carried out properly without any	83 124	32 32	2.59 3.88	Category Low High
Z.1 Z.2 Z.3	I am satisfied with my current salary I am satisfied with my current job because I get the opportunity to learn, and the responsibilities of the leadership I am satisfied with the opportunity to grow (Promotion) at DPMPTSP Internal supervision in DPMPTSP is	83 124 119	32 32 32	2.59 3.88	Category  Low  High
Z.1 Z.2 Z.3 Z.4	I am satisfied with my current salary I am satisfied with my current job because I get the opportunity to learn, and the responsibilities of the leadership I am satisfied with the opportunity to grow (Promotion) at DPMPTSP Internal supervision in DPMPTSP is carried out properly without any discrimination (like or dislike factor) I feel comfortable and satisfied to have	83 124 119 105	32 32 32 32	2.59 3.88 3.72 3.28	Category Low High High

From Table 2, it can be seen that the organizational culture variable has a very high overall average value of 4.27. In contrast, the variables of leadership, competence, and job satisfaction have a high average value of 4.20, 4.09, and 3.58, respectively. The high average indicates that the average respondent considers that leadership, competence, organizational culture, and job satisfaction strongly influence employee performance.

#### 4.1 Measurement Model Evaluation

Evaluation of the measurement model provides an evaluation of the accuracy (construct reliability) and validity of the items (convergent and discriminant). Convergent validity test helps to understand the correlation between variables and research instruments by estimating outer loading and AVE (average of extracted variance). According to Chin et al.(2008), the proper outer loading has values above 0.6 and AVE above 0.5. Table 3 shows that the outer loading and AVE values meet the criteria. Four items were deleted because they

had an outer loading value of less than 0.6, namely X2.1, Z.1, Z.4, and Y.4. Based on the estimation results, the variables and research instruments were declared valid.

The next test is discriminant validity using cross-loading, as presented in Table 4. The highest value for each indicator is higher than the loading value for other variables (e.g. X1.1 has the highest loading on the X1 variable, and the loading value is smaller for other variables). The composite reliability (CR) value with the eligibility criteria above 0.7 proves whether the instrument produces a consistent score when used to measure variables (Hair et al., 2016). The test results in table 3 show that all variables have a CR value > 0.7. So that all variables meet the reliability requirements.

Table 3. Factor Loading and Reliability Coefficients

Items	Loading	AVE	CR
Leadership (X1)		0.792	0.968
X1.1	0.929		
X1.2	0.897		
X1.3	0.929		
X1.4	0.848		
X1.5	0.904		
X1.6	0.856		
X1.7	0.903		
X1.8	0.848		
Competence (X2)		0.742	0.920
X2.2	0.864		
X2.3	0.918		
X2.4	0.886		
X2.5	0.771		
X2.2	0.864		
Organizational Culture (X3)		0.642	0.935
X3.1	0.739		
X3.2	0.861		
X3.3	0.730		
X3.4	0.764		
X3.5	0.847		
X3.6	0.811		
X3.7	0.895		
X3.8	0.747		
Job Satisfaction (Z)		0.772	0.931
Z.2	0.881		
Z.3	0.911		
Z.5	0.898		
Z.6	0.822		
Employee Performance (Y)		0.762	0.927
Y.1	0.898		
Y.2	0.843		
Y.3	0.894		
Y.5	0.855		

Table 4. Cross Loading

	Variable				
Items	<b>X</b> 1	X2	<b>X3</b>	$\mathbf{Z}$	$\mathbf{Y}$
X1.1	0.929	0.417	0.692	0.604	0.644
X1.2	0.897	0.376	0.576	0.638	0.556
X1.3	0.929	0.390	0.582	0.623	0.644
X1.4	0.848	0.271	0.477	0.521	0.607
X1.5	0.904	0.418	0.711	0.738	0.745
X1.6	0.856	0.388	0.650	0.667	0.708
X1.7	0.903	0.580	0.795	0.707	0.678
X1.8	0.848	0.408	0.697	0.697	0.706
X2.2	0.432	0.864	0.447	0.529	0.288
X2.3	0.445	0.918	0.590	0.672	0.531
X2.4	0.429	0.886	0.416	0.576	0.474
X2.5	0.250	0.771	0.378	0.422	0.280
X3.1	0.462	0.326	0.739	0.560	0.604
X3.2	0.657	0.434	0.861	0.646	0.684
X3.3	0.661	0.498	0.730	0.574	0.706
X3.4	0.617	0.310	0.764	0.545	0.478
X3.5	0.589	0.362	0.847	0.606	0.491
X3.6	0.526	0.595	0.811	0.675	0.562
X3.7	0.625	0.488	0.895	0.785	0.611
X3.8	0.566	0.411	0.747	0.678	0.492
Y.1	0.747	0.430	0.724	0.898	0.790
Y.2	0.655	0.670	0.707	0.843	0.728
Y.3	0.563	0.686	0.658	0.894	0.659
Y.5	0.596	0.485	0.687	0.855	0.689
Z.2	0.715	0.548	0.689	0.812	0.881
Z.3	0.589	0.379	0.553	0.635	0.911
Z.5	0.745	0.390	0.691	0.734	0.898
Z.6	0.552	0.334	0.604	0.686	0.822

#### 4.2 Structural Model Evaluation

The evaluation of the structural model was analyzed with the R-Square value, which is a measurement of the proportion of variation in the value of the affected variable (endogenous), which the exogenous variable can explain. According to Chin et al.(2008), a) if R<sup>2</sup> = 0.67 then the model is substantial (strong); b) If R<sup>2</sup> = 0.33 then the model is moderate (medium); and c) If R<sup>2</sup> = 0.19 then the model is weak (bad). The R-Square of the first line model is 0.633. This finding means that the ability of leadership variables, competence variables, and organizational culture in explaining job satisfaction is 63.3%. It can be concluded that the first model is moderate (medium). Next for the R-Square second line model is 0.809. It can be interpreted that the constructed variable of employee performance that can be explained by the leadership variable, competence variable, organizational culture, and job satisfaction is 80.9%. In contrast, other variables outside the research explain the rest. From these results, it can be concluded that the second model is substantial (strong).

Table 5. R-Square Value

	R Square	R Square Adjusted
Job Satisfaction (Z)	0.633	0.594
Employee Performance (Y)	0.809	0.780

Figure 2 shows the results of testing the ten hypotheses. Based on the findings of the first hypothesis, it is known that leadership has no significant effect on employee performance. This finding is indicated by the path coefficient value of 0.094 with a p-value of 0.600 > 0.05, which means it is not significant. This finding rejects the first hypothesis and cannot support previous research (Pudyaningsih et al., 2020).

The leadership in the observed local organization does not always convey goals to employees based on employee input at work. It does not consider the employee's abilities when assigning tasks or work to employees. This result is in line with Shahab and Nisa (2014), who found that leadership had no significant effect on employee performance in the public sector. Empirical findings also prove that listening to employees' opinions has a positive relationship with work outcomes such as leadership effectiveness (Johnson & Bechler, 1998), and employee commitment (Lobdell et al., 1993).

Testing the second hypothesis shows that leadership has a significant effect on job satisfaction, as seen from the path coefficient value of 0.453, and is signed with a p-value of 0.001 <0.05. These results support previous research, which also found a significant influence of leadership on job satisfaction (Pudyaningsih et al., 2020; Shahab & Nisa, 2014). The leadership at the observed local organization provides insightful support to employees and gives pride or appreciation to employees. Thus employees feel cared for and appreciated by the leadership so that employees feel satisfied in their work.

Furthermore, the test results show that competence significantly affects employee performance and supports the third hypothesis. The path coefficient value is 0.254, and the p-value is 0.045 <0.05, so that the effect is positive and significant. This finding supports previous research conducted by Jusmin et al. (2016), and Sulantara et al. (2020). An increase in employee competence will elevate employee performance. The competencies possessed by employees at the observed local make it easier for employees to carry out their work to improve performance.

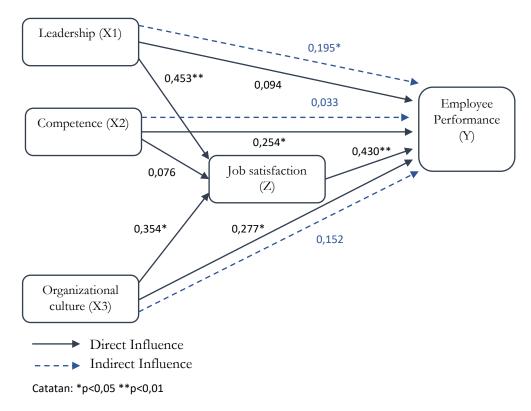


Figure 2. Hypothesis Testing Results

The results of testing the fourth hypothesis prove that competence has no significant effect on employee performance. This result is shown from the path coefficient value of 0.076 and the p-value of 0.547 > 0.05, meaning that it has no significant effect. This finding is not in line with previous research that found that competence significantly affects job satisfaction (Jusmin et al., 2016). This problem can be seen in the role of employees in completing work and reporting. Not all employees have skills in using information technology such as computers and digital applications, so that the task becomes a workload for several employees with good competence.

Then this study supports the fifth hypothesis where there is a significant influence of organizational culture on employee performance. This result is seen from the path coefficient value of 0.277 and p-value of 0.048 <0.05, which means a significant effect. These results support research of Makawi et al. (2020), and Maryati et al. (2019). The observed local organization (Yapen Islands Regency's DPMPTSP) has a supportive organizational culture. Leaders assist employees in solving problems they face, and employees are given the freedom to express their opinions to solve problems.

The subsequent hypothesis testing proves that organizational culture significantly influences job satisfaction and proves the sixth hypothesis. This finding is indicated by the path coefficient value of 0.354 and the p-value of 0.024 <0.05, which means a significant effect. This finding supports previous research that also found that organizational culture significantly affects job satisfaction (Al-Sada et al., 2017). Thus, a supportive, participatory culture characterizes the organizational culture in the observed local organization. Furthermore, the observed respondents explicitly reveal their satisfaction with the organization's democratic communication patterns.

Then this study proves the seventh hypothesis where job satisfaction is proven to significantly affect employee performance seen from the path coefficient value of 0.430 and p-value of 0.006 <0.05. These results support previous research that also found that job satisfaction significantly affects employee performance (Jusmin et al., 2016; Kawiana et al., 2018). Employees at Yapen Islands Regency's DPMPTSP are satisfied with a safe and comfortable workplace, get learning opportunities and responsibilities from the leadership, and have solid colleagues. When employees are satisfied with these things, employees are more enthusiastic in working and spur them to give the best performance.

Furthermore, testing the mediation hypothesis (Table 6) shows that only one hypothesis is proven, namely the eighth hypothesis. Job satisfaction is proven to fully mediate the relationship of leadership to employee performance which supports the results of previous research (Makawi et al., 2020; Pudyaningsih et al., 2020). Leadership does not directly affect employee performance but indirectly affects employee performance through job satisfaction. Employees are satisfied with supportive and respectful leadership and a safe and comfortable workplace so that job satisfaction can mediate the relationship between leadership and employee performance.

**Table 6.** Mediation Test Results

Hyp	M 11	Path	P-Values	P-Values	T.C.
othe sis	Model	Coefficien t	Direct Effect	Indirect Effect	Information
H8	(a) X1→ Z	0.453	0.001**	Encci	a, b is significant
110	` /			0.0244	while c is not
	(b) $Z \to Y$	0.430	0.006**	0.034*	
	(c) $X1 \rightarrow Y$	0.094	0.600		significant = fully mediation
H9	(a) $X2 \rightarrow Z$	0.076	0.547		a is not
	(b) $Z \rightarrow Y$	0.430	0.006**	0.584	significant = no
	(c) $X2 \rightarrow Y$	0.254	0.045*		mediation
H10	(a) $X3 \rightarrow Z$	0.354	0.024*		a, b, and c are
	(b) $Z \rightarrow Y$	0.430	0.006**	0.088	significant, but the p-value
					indirect effect is
	(c) $X3 \rightarrow Y$	0.277	0.048*		not significant =
-					no mediation

Hypotheses nine and ten are not proven because the analysis results show that job satisfaction cannot mediate the relationship between competence and organizational culture on employee performance. This finding is not in line with previous researchers (Jusmin et al., 2016; Makawi et al., 2020). In carrying out employee performance activities, it is still found that all employees do not understand the clarity of suggestions and expectations for the achievements to be achieved by the organization. Therefore, although employees feel satisfied with their work, some employees are still negligent and tend to ignore work-related responsibilities, lack of curiosity, and employee creativity in completing work not to improve their performance.

#### V. Conclusion

Based on the research objectives, research hypotheses, discussion, and data analysis, it can be concluded that 1) leadership has no significant effect on employee performance but has a significant effect on job satisfaction; 2) competence has a significant effect on employee performance, but is not significant in influencing job satisfaction; 3) organizational culture has a significant effect on employee performance and job satisfaction; 4) job satisfaction has a significant effect on employee performance; 5) job satisfaction can mediate the relationship of leadership to employee performance, but cannot mediate the relationship of competence and organizational culture to employee performance.

In this study, researchers still found limitations in the research process, so it expects future researchers to improve them. The limitations in this study are 1) the variables studied in this study are still few, so the results of the study are not comprehensive; 2) the results of this study are only supported by interviews with one resource person so that the assessment may tend to be subjective; 3) this study only uses a small number of samples so that the results of the study cannot be generalized to a broader population.

Based on the study results and the study's limitations, the researchers provide suggestions or managerial implications for leaders in Yapen Islands Regency's DPMPTSP. Regarding the leadership variable, the leaders in the observed local organization should be able to convey the goals that employees can achieve. Leaders can also discuss goals with employees, ask if employees understand these goals, and ask employees for opinions. In addition, leaders must be fairer and support goals because employees expect leaders to be fair in giving reprimands and sanctions for the undisciplined behavior.

Regarding competency variables, leaders can improve the abilities and skills of employees by prioritizing programs and activities in the form of education and training for personnel as well as computerization training and internet network access. Regarding organizational culture variables, the leadership at Yapen Islands Regency's DPMPTSP needs to provide more opportunities or authority to employees to create new ideas and ways of working in completing work. Regarding job satisfaction variables, the leaders of the observed local organization can review the number of salaries, bonuses, or allowances that employees receive whether they can meet the needs and are following the performance that the employees provide.

For further researchers, it expects to conduct research using other variables to determine their influence on improving the employees' performance. In addition, it can use a larger sample so that the research results can be generalized to a broader population. Finally, interviews with research samples are also needed to support more accurate research results.

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