

(Original Article)

Understanding Employee Performance through Competence, Job Placement, and Job Satisfaction: Evidence from a Public Health Centre in Indonesia

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Abstract: The alignment of employee competencies with job placement remains a critical issue in human resource management, particularly within healthcare organisations where service quality depends on workforce performance. This study investigates the effects of competence and job placement on employee performance, as well as the mediating role of job satisfaction in these relationships at the South Amuntai Community Health Centre, North Hulu Sungai Regency, Indonesia. A quantitative explanatory research design was employed, involving all 82 employees of the health centre, including civil servants, contract staff, and voluntary workers, through a saturated sampling technique. Data were collected using a structured questionnaire and analysed using Partial Least Squares Structural Equation Modelling with SmartPLS 4. The findings reveal that both competence and job placement exert positive and significant effects on employee performance. Job placement also demonstrates a positive and significant influence on job satisfaction, whereas competence does not significantly affect job satisfaction. In addition, job satisfaction significantly enhances employee performance. The mediation analysis indicates that job satisfaction does not mediate the relationship between competence and employee performance. However, it partially mediates the relationship between job placement and employee performance. These findings suggest that improving employee performance in primary healthcare institutions requires not only competent personnel but also appropriate job placement practices that foster higher job satisfaction. This study contributes to the public sector human resource management literature by providing empirical evidence of the mediating role of job satisfaction in linking job placement and employee performance within the context of primary healthcare services in Indonesia.

Keywords: competence; job placement; job satisfaction; employee performance; primary healthcare

1. Introduction

Human resources represent a strategic asset that determines organisational effectiveness and service quality. In healthcare organisations, employee performance is particularly critical because it directly influences the quality, accessibility, and continuity of healthcare

services delivered to the public. According to the World Health Organization (WHO, 2023), an adequate and competent health workforce is essential for achieving universal health coverage and improving population health outcomes. However, global health systems continue to face workforce shortages and unequal workforce distribution, particularly in developing countries, creating significant challenges for healthcare organisations in maintaining service quality and operational efficiency (WHO, 2023).

In Indonesia, strengthening primary healthcare services has become a central component of national health transformation. Community Health Centres (Puskesmas) function as frontline healthcare institutions responsible for delivering promotive, preventive, curative, and rehabilitative services. According to the Indonesian Health Profile 2023, Indonesia had 10,374 Community Health Centres operating nationwide, serving as the primary gateway to basic healthcare services (Ministry of Health of the Republic of Indonesia, 2024). Despite the increasing number of healthcare facilities, disparities in workforce distribution and competency remain persistent challenges, potentially affecting the effectiveness of healthcare service delivery.

Employee performance has long been recognised as a key determinant of organisational success. Performance reflects the extent to which employees achieve organisational objectives effectively and efficiently (Wibowo, 2017). Previous studies have consistently demonstrated that competence is one of the most influential determinants of employee performance because individuals possessing adequate knowledge, skills, and professional attitudes are more capable of performing their duties successfully (Spencer & Spencer, 1993; Sari & Nugraha, 2022). Likewise, job placement plays an important role in ensuring that employees are assigned to positions that correspond with their qualifications, expertise, and experience (Hasibuan, 2019).

Beyond their direct influence on performance, competence and job placement may affect employees' psychological responses to work, particularly job satisfaction. Job satisfaction refers to a positive emotional state resulting from an individual's appraisal of his or her job experiences (Robbins & Judge, 2022). Employees who perceive a strong alignment between their competencies and assigned responsibilities are more likely to experience higher levels of job satisfaction, which subsequently contributes to enhanced performance (Hidayat & Rahmawati, 2023).

Empirical evidence regarding the relationships among competence, job placement, job satisfaction, and employee performance remains inconclusive. Several studies have reported significant positive effects of competence and job placement on employee performance (Sari & Nugraha, 2022; Putra et al., 2023). However, other studies suggest that these relationships may operate indirectly through job satisfaction (Pratiwi et al., 2024). Such inconsistencies indicate the need for further investigation, particularly within healthcare organisations that operate under unique workforce constraints and service demands.

Furthermore, studies examining the mediating role of job satisfaction in the relationship between competence, job placement, and employee performance within primary healthcare organisations remain limited. Most previous studies have focused on private-sector organisations, educational institutions, or government agencies in general. Consequently, limited evidence is available regarding how these relationships operate in Community Health Centres, where workforce shortages, competency mismatches, and role adjustments frequently occur.

This study addresses this gap by examining the mediating role of job satisfaction in the relationship between competence, job placement, and employee performance at the South Amuntai Community Health Centre, North Hulu Sungai Regency. Unlike previous studies that primarily investigated direct relationships among these variables, this research

proposes a mediation model that explains the mechanism through which competence and job placement influence employee performance. Therefore, this study contributes to the public sector human resource management literature by extending understanding of employee performance determinants in primary healthcare organisations and providing empirical evidence from the Indonesian healthcare context.

2. Methods

This study employs a quantitative approach with an explanatory research design aimed at examining the effect of competence (X_1) and job placement (X_2) on employee performance (Y) through job satisfaction (Z) as a mediating variable. The research population comprised all 82 employees of the UPT Puskesmas Amuntai Selatan, Hulu Sungai Utara Regency, consisting of Civil Servants (*Aparatur Sipil Negara* – ASN), Non-Permanent Employees (*Pegawai Tidak Tetap* – PTT), and Voluntary Workers (*Tenaga Kerja Sukarela* – TKS). As the total population was fewer than 100 individuals, a saturated sampling technique (census) was employed, whereby all members of the population were included as respondents.

Data were collected using a questionnaire based on a five-point Likert scale (ranging from 1 = strongly disagree to 5 = strongly agree). The research instrument measured four variables, namely: (1) competence, indicated by knowledge, skills, and attitudes; (2) job placement, indicated by ability, aptitude, and expertise; (3) job satisfaction, indicated by satisfaction with the work itself, supervisors, colleagues, and promotion opportunities; and (4) employee performance, indicated by quality, quantity, timeliness, effectiveness, and autonomy.

Data analysis was performed using the Partial Least Squares-Structural Equation Modelling (PLS-SEM) method with SmartPLS 4 software. The analytical procedure comprised two stages: first, the evaluation of the outer (measurement) model, which included tests for

convergent validity (loading factor ≥ 0.70 and average variance extracted ≥ 0.50), discriminant validity (Fornell-Larcker criterion and cross-loadings), and construct reliability (composite reliability and Cronbach's alpha ≥ 0.70). Second, the inner (structural) model was assessed by examining the coefficient of determination (R^2) and testing for mediation effects. Hypothesis testing was conducted using a bootstrapping procedure (with 5,000 resamples) at a 5% significance level ($\alpha = 0.05$). The PLS-SEM approach was selected for its capacity to analyse simultaneous relationships among latent variables and its suitability for studies with a relatively limited sample size (82 respondents), particularly as it does not strictly require normally distributed data.

3. Results and Discussion

Measurement Model Evaluation (Outer Model)

Prior to testing the structural model, the measurement model was evaluated to ensure the validity and reliability of the constructs. Convergent validity was assessed through factor loadings and the Average Variance Extracted (AVE). All indicator loadings exceeded the recommended threshold of 0.70, and all AVE values were above 0.50, indicating adequate convergent validity (Fornell & Larcker, 1981). Discriminant validity was established using the Fornell-Larcker criterion, whereby the square root of the AVE for each construct was greater than its highest correlation with any other construct. Additionally, cross-loadings confirmed that each indicator loaded most strongly on its respective construct. Construct reliability was assessed using Cronbach's alpha and composite reliability (CR), with all values exceeding the acceptable threshold of 0.70, thereby demonstrating satisfactory internal consistency. A summary of the measurement model evaluation is presented in Table 1.

Table 1. Measurement Model Evaluation Results

Variable	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)	Result
Competence (X_1)	0.842	0.887	0.612	Reliable and Valid
Job Placement (X_2)	0.861	0.901	0.645	Reliable and Valid
Job Satisfaction (Z)	0.823	0.874	0.583	Reliable and Valid
Employee Performance (Y)	0.879	0.912	0.678	Reliable and Valid

Source: SmartPLS 4 data processing results, 2025.

Structural Model Evaluation (Inner Model)

The structural (inner) model was evaluated to determine the model's ability to explain the relationships among the research variables. The results revealed an R^2 value of 0.560 for employee performance, indicating that 56.0% of the variance in employee performance could be explained by competence, job placement, and job satisfaction, while the remaining 44.0% was influenced by other factors outside the research model. Meanwhile, the R^2 value for job satisfaction was 0.255, suggesting that 25.5% of the variance in job satisfaction was explained by competence and job placement, whereas 74.5% was attributable to unexamined factors. These values indicate that the research model possessed a moderate capacity to explain variance in employee performance and a relatively weak capacity to explain variance in job satisfaction.

Furthermore, the effect size (f^2) was calculated to assess the magnitude of each predictor's contribution to the endogenous constructs. The results indicated that job placement ($f^2 = 0.218$) and job satisfaction ($f^2 = 0.193$) exerted a moderate effect on employee performance, while competence ($f^2 = 0.089$) demonstrated a small effect. For job satisfaction, job placement ($f^2 = 0.178$) showed a moderate effect, whereas competence ($f^2 = 0.072$) exhibited a small effect. Additionally, the predictive relevance (Q^2) of the model was assessed using the blindfolding procedure. The Q^2 values for employee performance (0.342) and job satisfaction (0.176) were

both greater than zero, confirming the model's predictive relevance for both endogenous constructs.

The overall model fit was evaluated using the Standardised Root Mean Square Residual (SRMR) and the Normed Fit Index (NFI). The SRMR value of 0.068 was below the recommended threshold of 0.08 (Hu & Bentler, 1999), indicating an acceptable model fit. The NFI value of 0.812, although slightly below the commonly recommended threshold of 0.90, was still considered acceptable given the sample size and model complexity.

Hypothesis Testing

Hypothesis testing was conducted using a bootstrapping procedure with 5,000 resamples in SmartPLS 4. A relationship was considered statistically significant if the t-statistic exceeded 1.96 and the p-value was less than 0.05 at the 5% significance level ($\alpha = 0.05$). The results of the direct and indirect effect hypothesis tests are presented in Tables 2 and 3, respectively.

Table 2. Measurement Model Evaluation Results

Hypothesis	Relationship	Path Coefficient	t-Statistic	p-Value	Decision
H ₁	Competence → Employee Performance	0.248	2.613	0.005	Accepted
H ₂	Job Placement → Employee Performance	0.373	3.294	0.000	Accepted
H ₃	Competence → Job Satisfaction	0.232	1.851	0.032	Rejected
H ₄	Job Placement → Job Satisfaction	0.355	2.483	0.007	Accepted
H ₅	Job Satisfaction → Employee Performance	0.308	2.998	0.001	Accepted

Note: Based on the research decision rule, the hypothesis was deemed unsupported as the t-statistic < 1.96.

Table 3. Indirect Effect (Mediation) Hypothesis Testing Results

Hypothesis	Relationship	Path Coefficient	t-Statistic	p-Value	Decision
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H₆	Competence → Job Satisfaction → Employee Performance	0.072	1.636	0.051	Rejected
H₇	Job Placement → Job Satisfaction → Employee Performance	0.109	1.960	0.025	Accepted

Source: SmartPLS 4 data processing results, 2025.

The Effect of Competence on Employee Performance

The findings demonstrated that competence exerted a positive and significant effect on employee performance, with a path coefficient of 0.248, a t-statistic of 2.613, and a p-value of 0.005. This result indicates that an increase in employee competence is accompanied by an improvement in employee performance. The better the knowledge, skills, and work-related behaviours possessed by employees, the higher their ability to carry out their duties and responsibilities effectively. This finding aligns with the theory proposed by Spencer and Spencer (1993), which posits that competence constitutes a fundamental individual characteristic that is directly associated with superior performance. The result further corroborates the studies of Erni Desiana (2020) and Kartika Juanita Nurwin (2021), both of whom reported a positive effect of competence on employee performance.

The Effect of Job Placement on Employee Performance

Job placement was found to have a positive and significant effect on employee performance, with a path coefficient of 0.373, a t-statistic of 3.294, and a p-value of 0.000. This outcome suggests that job placement aligned with employees' abilities, educational background, and experience enhances work effectiveness, thereby contributing to improved performance. This finding reinforces the principle of the right man on the right place articulated by Hasibuan (2019), which maintains that congruence between individual characteristics and job requirements yields higher productivity. The result is also consistent with the research conducted by Erni Desiana (2020), which identified a significant effect of

job placement on the performance of healthcare workers at community health centres.

The Effect of Competence on Job Satisfaction

The results indicated that competence had a positive but non-significant effect on job satisfaction. Although the path coefficient of 0.232 suggested a positive directional relationship, the t-statistic of 1.851 fell below the threshold for statistical significance. Accordingly, improvements in competence do not necessarily translate directly into increased job satisfaction. This finding implies that job satisfaction is influenced not solely by individual capabilities but also by other factors, including the work environment, reward systems, leadership styles, interpersonal relationships, and career development opportunities. Therefore, competence development efforts should be complemented by organisational policies that foster a conducive working environment in order to enhance employee job satisfaction effectively.

Interestingly, this finding contradicts several previous studies that reported a significant positive relationship between competence and job satisfaction (e.g., Permatasari, 2023; Wahyuni & Indrianti, 2022). This discrepancy may be attributed to contextual factors specific to the healthcare setting in rural areas, where employees may prioritise other aspects such as job security, workload, and facility adequacy over competence development. Additionally, the relatively low R^2 value (0.255) for job satisfaction suggests that competence and job placement collectively explain only a quarter of the variance, reinforcing the notion that other unexamined variables play a more dominant role in determining job satisfaction in this context.

The Effect of Job Placement on Job Satisfaction

Job placement exerted a positive and significant effect on job satisfaction, with a path coefficient of 0.355, a t-statistic of 2.483, and a p-value of 0.007. This result indicates that employees who are placed in positions

commensurate with their competencies and areas of expertise tend to experience higher levels of job satisfaction. This finding supports the person–job fit theory, which explains that congruence between the individual and the job fosters greater comfort, motivation, and work engagement. The result is also consistent with the research of Utami Permatasari (2023), who found a significant effect of job placement on employee job satisfaction. Furthermore, the effect size ($f^2 = 0.178$) confirms that job placement is a meaningful predictor of job satisfaction, reinforcing the practical importance of strategic personnel allocation in public healthcare organisations.

The Effect of Job Satisfaction on Employee Performance

The findings revealed that job satisfaction had a positive and significant effect on employee performance, with a path coefficient of 0.308, a *t*-statistic of 2.998, and a *p*-value of 0.001. This result demonstrates that higher levels of employee job satisfaction are associated with enhanced performance outcomes. Employees who experience satisfaction in their work tend to exhibit greater work motivation, loyalty, and organisational commitment, thereby enabling them to contribute optimally to the organisation. This finding is consistent with the theory advanced by Robbins and Judge (2022), who assert that job satisfaction constitutes a primary determinant of employee behaviour and performance. The moderate effect size ($f^2 = 0.193$) further confirms the substantive significance of this relationship.

The Mediating Role of Job Satisfaction

The mediation analysis revealed that job satisfaction did not significantly mediate the effect of competence on employee performance. The path coefficient of 0.072, accompanied by a *t*-statistic of 1.636 and a *p*-value of 0.051, indicated that the indirect effect was not statistically significant, although it approached marginal significance. This finding suggests that competence exerts a more pronounced direct influence on performance

rather than operating indirectly through job satisfaction. A plausible explanation is that competent employees are able to perform well regardless of their satisfaction level, as their intrinsic capabilities enable them to meet job demands effectively. Alternatively, the absence of mediation may be due to the presence of other intervening variables, such as work motivation or organisational commitment, which were not examined in this study.

Conversely, job satisfaction was found to significantly mediate the effect of job placement on employee performance, with a path coefficient of 0.109, a *t*-statistic of 1.960, and a *p*-value of 0.025. This result indicates that appropriate job placement enhances employee job satisfaction, which in turn positively impacts performance. In other words, job satisfaction serves as a psychological mechanism that bridges the relationship between job placement and employee performance. This finding underscores the importance of strategic human resource management practices that ensure employees are placed in roles that align with their qualifications and preferences, as this not only enhances satisfaction but also ultimately improves performance outcomes.

Theoretical Implications

The findings of this study contribute to the existing body of knowledge in several ways. First, the study reinforces the applicability of Spencer and Spencer's (1993) competence theory and Hasibuan's (2019) person–job fit principle within the context of public healthcare organisations in Indonesia. Second, the non–significant mediating role of job satisfaction between competence and performance challenges the conventional assumption that competence must operate through attitudinal mechanisms, suggesting instead that competence may have a more direct performance–enhancing effect. Third, the significant mediating role of job satisfaction between job placement and performance highlights the importance of affective

responses in translating placement decisions into performance outcomes, thereby extending the person–job fit literature.

Practical Implications

From a managerial perspective, the findings offer several actionable insights for the management of UPT Puskesmas Amuntai Selatan. First, organisations should prioritise competence development through continuous training and professional development programmes, as competence directly enhances employee performance. Second, job placement decisions should be made carefully, considering employees' qualifications, skills, and career aspirations, given its significant direct and indirect effects on performance. Third, efforts to improve job satisfaction should focus not only on competence development but also on creating a supportive work environment, fair reward systems, and adequate career progression opportunities. Finally, given the mediating role of job satisfaction, organisations should monitor employee satisfaction levels and address any dissatisfaction promptly to optimise performance outcomes.

Limitations and Future Research Directions

This study has several limitations that should be acknowledged. First, the cross-sectional design precludes causal inferences; future research employing longitudinal or experimental designs would be valuable to establish causality. Second, the sample was limited to a single public health centre in a specific regency, which may restrict the generalisability of the findings to other settings. Future studies should consider larger and more diverse samples across multiple healthcare facilities or regions. Third, the relatively low R^2 value for job satisfaction (0.255) indicates that other important predictors, such as leadership style, organisational culture, and compensation, were not included in the model. Future research should incorporate these variables to provide a more comprehensive understanding of job satisfaction and its antecedents. Fourth, the study relied solely on self-reported questionnaire data, which may be subject to

common method bias; future studies could incorporate objective performance measures or multi-source data collection methods.

4. Conclusion

Based on the findings of this study examining the influence of competence and job placement on employee performance through job satisfaction at the UPT Puskesmas Amuntai Selatan, Hulu Sungai Utara Regency, it can be concluded that competence has a positive and significant effect on employee performance. This finding indicates that improvements in employees' knowledge, skills, and work attitudes enhance their ability to carry out their duties and responsibilities effectively. However, competence was not found to have a significant effect on job satisfaction, suggesting that job satisfaction is determined not solely by individual capabilities but also by other organisational factors such as leadership, work environment, compensation, and career development opportunities. Conversely, job placement has a positive and significant effect on both employee performance and job satisfaction, demonstrating that alignment between employees' competencies, educational background, experience, and job position improves work effectiveness while simultaneously fostering higher levels of job satisfaction. Furthermore, job satisfaction was confirmed to have a positive and significant effect on employee performance, indicating that higher levels of job satisfaction lead to enhanced performance outcomes.

Regarding the indirect effects, job satisfaction was not found to mediate the relationship between competence and employee performance, suggesting that competence exerts a more dominant direct influence on performance rather than operating through attitudinal mechanisms such as satisfaction. Conversely, job satisfaction was found to significantly mediate the relationship between job placement and employee performance. This finding indicates that appropriate job placement not only directly improves performance but also enhances job satisfaction,

which in turn strengthens employee performance. Theoretically, this study contributes to the existing literature by extending the application of competence theory, person–job fit theory, and job satisfaction–performance frameworks within the context of public healthcare organisations in Indonesia. The non–significant mediating role of job satisfaction between competence and performance challenges the conventional assumption that competence must operate through affective mechanisms, while the significant mediating role between job placement and performance reinforces the importance of affective responses in translating human resource practices into performance outcomes.

From a practical standpoint, efforts to improve employee performance at UPT Puskesmas Amuntai Selatan should prioritise competence development through continuous training and professional development programmes, alongside the implementation of strategic job placement policies that ensure employees are assigned to positions aligned with their educational background, skills, and expertise. Additionally, organisations should regularly monitor employee satisfaction levels and address any sources of dissatisfaction to optimise performance outcomes. This study has several limitations, including its cross–sectional design and single–site sample, which restrict generalisability. Future research should therefore adopt longitudinal designs, incorporate larger and more diverse samples across multiple healthcare facilities, and include additional variables such as leadership style and organisational culture to provide a more comprehensive understanding of the antecedents and consequences of job satisfaction and employee performance in public healthcare settings.

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