

DUAL PATHWAYS TO PERFORMANCE IN MANUFACTURING FIRMS: RETHINKING COMPETENCY, CULTURE, AND JOB SATISFACTION

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ABSTRACT: This study aims to examine the effects of competency and organizational culture on employee performance, with job satisfaction as a mediating mechanism. It advances a novel claim that competency operates through dual pathways, directly enhancing performance while indirectly shaping outcomes via job satisfaction, whereas organizational culture follows a predominantly direct route. Using a quantitative associative design, data were collected from 250 employees from manufacturing companies and analyzed with PLS-SEM to assess relationships among latent constructs. The results show that competency significantly improves job satisfaction and performance, while organizational culture does not affect job satisfaction but directly enhances performance. Mediation analysis confirms that job satisfaction partially mediates the competency–performance relationship but not the organizational culture–performance link. These findings imply that organizations should prioritize competency development as a leverage point for both satisfaction and performance, while positioning culture as a direct performance driver.

Keywords: Competence; Organizational Culture; Job Satisfaction; Employee Performance; PLS-SEM

INTRODUCTION

Organizations increasingly confront a performance paradox in which rising operational demands are not matched by proportional gains in employee output, particularly in environments characterized by rapid skill obsolescence, digital intensification, and heightened accountability. Recent evidence suggests that employee performance is shaped less by structural control and more by the alignment between individual capabilities, organizational context, and evaluative work attitudes (Gazi et al., 2024; Yang et al., 2024). Meta-analytic and empirical findings further indicate that performance deteriorates when employees experience misfit between competencies and job demands, or when work environments fail to sustain motivation and psychological attachment (Hoff et al., 2020; Kristof-Brown et al., 2023). This shifts the contemporary research problem toward understanding how competence, culture, and satisfaction interact as an integrated system rather than isolated predictors.

Competency remains a central yet inconsistently theorized driver of performance. Recent studies demonstrate that competency development enhances performance by improving task execution, adaptability, and innovative behavior (Keltu, 2024; Dang et al., 2025). However, the effectiveness of competence depends on whether it translates into meaningful work experiences. The person–environment fit perspective emphasizes that capability alone does not guarantee performance unless it aligns with job demands and reinforces positive evaluative states such as job satisfaction (Kaur & Kang, 2021; Kristof-Brown et al., 2023). Empirical evidence supports this view, showing that satisfaction functions as a psychological mechanism through which competencies are converted into sustained performance outcomes (Katebi et al., 2022). Thus, competence should be conceptualized not merely as an input, but as a resource whose impact is contingent on its experiential and attitudinal translation.

Organizational culture constitutes a parallel yet theoretically distinct determinant of performance. Contemporary research consistently shows that culture influences employee behavior by shaping norms of collaboration, trust, and performance expectations (Bogale & Debela, 2024; Abawa & Obse, 2024). A supportive culture can enhance performance by creating coherence and psychological safety, whereas fragmented culture undermines coordination and effort. However, empirical findings remain inconsistent regarding whether culture operates directly or indirectly through job satisfaction. Some studies identify culture as a direct predictor of performance, while others demonstrate mediated relationships through satisfaction and organizational climate (Aggarwal, 2024; Liu et al., 2024). This inconsistency suggests that culture may function more as a contextual enabler rather than a uniform attitudinal driver.

Job satisfaction, therefore, emerges as a critical explanatory mechanism linking individual and organizational factors to performance. Meta-analytic evidence confirms a robust positive relationship between job satisfaction and job performance (Katebi et al., 2022). Recent studies further demonstrate that satisfaction mediates the effects of organizational climate, well-being, and human resource practices on employee outcomes (Jianchun, 2024; Yang et al., 2024). From a goal-setting and resource-based perspective, employees are more likely to sustain effort when they possess adequate competencies and operate within environments that reinforce meaningful and attainable work experiences. Satisfaction thus operates as a conversion mechanism that translates capability and context into performance, although not necessarily symmetrically across predictors.

Despite these advances, three critical gaps remain. First, prior research often embeds competence within broader human resource systems, obscuring its distinct causal pathway to performance (Hansen et al., 2025). Second, organizational culture studies tend to emphasize direct effects while under-specifying its indirect influence through job satisfaction (Abawa & Obse, 2024; Aggarwal, 2024). Third, existing studies rarely test asymmetric mechanisms in which competence and culture operate through different pathways within a unified model. This study addresses these gaps by advancing a specific theoretical claim: competence functions as a dual-pathway resource that influences performance both directly and through job satisfaction, whereas organizational culture operates primarily as a direct contextual driver with a weaker or conditional mediating linkage. By disentangling these mechanisms, this study refines the micro-foundations of employee performance and contributes to a more precise understanding of how capability, context, and evaluative attitudes interact in contemporary organizations.

THEORETICAL REVIEW

Goal Setting Theory provides the central theoretical foundation for understanding how employee performance emerges from the interaction between individual capability, organizational context, and evaluative work attitudes. The theory posits that specific and challenging goals enhance performance by directing attention, mobilizing effort, sustaining persistence, and encouraging strategy development (Locke & Latham, 2002). However, goal effectiveness depends on critical boundary conditions, particularly the individual's capability to perform and the contextual support that sustains motivation and feedback. In contemporary organizational settings characterized by complexity and rapid change, performance is increasingly understood as a function of both personal resources and environmental structures rather than goal clarity alone (Griffin et al., 2007; López-Cabarcos et al., 2022). Within this perspective, competence enables action, organizational culture shapes the conditions of action, and job satisfaction reflects the extent to which goal pursuit is experienced as meaningful and sustainable.

Employee performance is conceptualized as a multidimensional construct encompassing task proficiency, adaptability, and proactive contribution. Modern performance literature emphasizes that employees are expected not only to meet prescribed standards but also to respond effectively to dynamic and uncertain environments (Griffin et al., 2007; Charbonnier-Voirin & Roussel, 2012). Empirical evidence indicates that performance improves when individual capabilities are aligned with supportive organizational conditions, enabling employees to translate effort into sustained outcomes (López-Cabarcos et al., 2022). From a Goal Setting perspective, performance reflects the degree to which individuals are able to internalize goals, regulate their behavior, and maintain effort under varying contextual conditions.

Competence represents a foundational personal resource that determines an individual's capacity to pursue and achieve goals effectively. Contemporary scholarship conceptualizes competence as an integrated combination of knowledge, skills, abilities, and behavioral attributes that enable effective performance in specific contexts (Campion et al., 2020). Beyond technical proficiency, competence includes adaptive capacity and self-regulatory capability, both of which are critical for navigating complex work demands. The person–environment fit perspective further suggests that competence yields stronger performance outcomes when aligned with job demands and organizational expectations (Hoff et al., 2020; Kristof-Brown et al., 2023). Thus, competence functions not only as a direct driver of performance through improved execution but also as an indirect mechanism through which employees experience greater job satisfaction, reinforcing sustained effort and engagement.

Organizational culture constitutes the contextual dimension that shapes how competence is activated and translated into performance. Culture reflects shared values, norms, and expectations that guide behavior and coordinate action within the organization. Empirical research demonstrates that a strong and coherent culture enhances performance by reducing ambiguity, fostering trust, and aligning individual behavior with organizational goals (Dastmalchian et al., 2020). However, the mechanism through which culture influences performance remains theoretically contested. While some studies emphasize its direct effect on coordinated action, others highlight its indirect influence through attitudinal variables such as job satisfaction and organizational climate (Kaur & Kang, 2021; Kristof-Brown et al., 2023). This suggests that organizational culture operates primarily as a contextual architecture of performance, with its indirect effects varying depending on how employees interpret and internalize organizational values.

Job satisfaction represents the evaluative mechanism that links individual and organizational factors to performance outcomes. It reflects a positive emotional and cognitive appraisal of one's job and work environment. Meta-analytic evidence confirms a consistent positive relationship between job satisfaction and job performance (Katebi et al., 2022). More recent studies further demonstrate that satisfaction mediates the effects of organizational conditions and human resource practices on employee behavior and performance outcomes (Gazi et al., 2024). From a Goal Setting perspective, employees are more likely to sustain effort toward goal attainment when they perceive their work as meaningful and aligned with their expectations. Accordingly, job satisfaction functions as a conversion mechanism through which competence and organizational context are translated into performance. The research proposal is presented in Figure 1.

Hypothesis Development

As expected from the Goal Setting Theory, competence is expected to enhance job satisfaction because employees are more likely to evaluate their work positively when they possess the capability required to meet role demands. Competence reduces task ambiguity, strengthens perceived control, and increases the likelihood that effort leads to desired outcomes. Contemporary research conceptualizes competence as an integrated resource encompassing knowledge, skills, and adaptive capacity that enables effective goal pursuit (Campion et al., 2020). Empirical evidence further suggests that when employees perceive alignment between their competencies and job requirements, they experience higher satisfaction due to reduced strain and increased mastery (Hoff et al., 2020; Kristof-Brown et al., 2023). In this sense, competence not only facilitates task execution but also shapes how employees evaluate their work experience.
H1: Competence has a positive and significant effect on job satisfaction.

Organizational culture is also expected to influence job satisfaction because it defines the normative environment in which employees interpret their roles and relationships. A supportive culture fosters shared meaning, trust, and psychological safety, all of which contribute to positive work evaluation. Empirical studies indicate that organizational climate and culture significantly shape employee satisfaction by influencing perceived fairness, support, and belonging (Kaur & Kang, 2021; Liu et al., 2024). However, the strength of this relationship may vary depending on the extent to which cultural values are internalized in daily practices. Nonetheless, a coherent and constructive culture is generally associated with higher levels of job satisfaction.
H2: Organizational culture has a positive and significant effect on job satisfaction.

Competence is further expected to directly enhance employee performance because it determines the ability of individuals to translate goals into effective action. Goal Setting Theory emphasizes that performance improves when individuals possess the capability to develop strategies, regulate effort, and respond to feedback. Employees with higher competence demonstrate stronger task execution, adaptability, and problem-solving capacity, all of which are critical for sustained performance (Griffin et al., 2007; Campion et al., 2020). Recent empirical findings confirm that capability development is strongly associated with improved performance outcomes across organizational contexts (Keltu, 2024; Pham et al., 2024).
H3: Competence has a positive and significant effect on employee performance.

Organizational culture is also posited to influence employee performance because it shapes behavioral expectations, coordination, and the alignment of individual actions with organizational goals. A strong culture reduces uncertainty and enhances cooperation, thereby improving the efficiency and consistency of performance. Evidence from organizational research shows that supportive work environments and coherent cultural systems are associated with higher levels of employee performance (Dastmalchian et al., 2020; López-Cabarcos et al., 2022). However, unlike competence, culture operates primarily as a contextual driver that structures behavior rather than directly enabling capability.
H4: Organizational culture has a positive and significant effect on employee performance.

Job satisfaction is expected to positively influence employee performance because satisfied employees are more likely to sustain effort, demonstrate persistence, and engage in discretionary work behaviors. Meta-analytic evidence consistently supports a positive relationship between job satisfaction and performance (Katebi et al., 2022). Recent studies further indicate that satisfaction enhances motivation and behavioral engagement, which are essential for effective goal attainment (Gazi et al., 2024; Yang et al., 2024). From a Goal Setting perspective, satisfaction reinforces commitment to goal pursuit by making work experiences more meaningful and rewarding.
H5: Job satisfaction has a positive and significant effect on employee performance.

In addition to direct effects, job satisfaction is expected to mediate the relationship between competence and employee performance. Competence enhances employees' ability to perform

tasks effectively, which in turn leads to positive work evaluations and higher satisfaction. This satisfaction strengthens motivation and effort, thereby reinforcing performance outcomes. Empirical evidence supports the mediating role of job satisfaction in translating capability into performance (Keltu, 2024; Katebi et al., 2022). Job satisfaction functions as a psychological mechanism through which competence influences performance.

H6: Job satisfaction mediates the relationship between competence and employee performance.

A similar mediating mechanism is proposed for organizational culture, although the pathway may be less consistent. Organizational culture can enhance performance indirectly by creating a work environment that employees evaluate positively, thereby increasing satisfaction and subsequent effort. Studies suggest that when cultural values foster trust, clarity, and support, job satisfaction becomes an important conduit through which culture influences performance (Abawa & Obse, 2024; Liu et al., 2024). However, culture may also exert a direct influence on performance through coordination and norm enforcement.

H7: Job satisfaction mediates the relationship between organizational culture and employee performance.



Figure 1. Conceptual Framework
Source: Authors' Formulation

METHODOLOGY

This study adopts a quantitative, explanatory research design to examine the relationships among competence, organizational culture, job satisfaction, and employee performance. The design is cross-sectional, with data collected at a single point in time to capture employees' perceptions of their work environment and behavioral outcomes. The empirical setting consists of manufacturing firms located in Sulawesi Selatan, Indonesia, selected to enhance contextual relevance while maintaining sectoral consistency. Focusing on manufacturing organizations allows the study to observe performance dynamics in environments characterized by standardized processes, productivity pressures, and measurable outputs.

The target population comprises full-time employees working in medium-to-large manufacturing firms in the region. To improve generalizability beyond a single organization, the study employs a multi-firm sampling frame rather than restricting data to one unit. A total of 250 respondents were selected using a stratified purposive sampling approach, ensuring representation across functional areas (e.g., production, administration, and technical support) and tenure levels. Inclusion criteria required respondents to have at least one year of work experience within their current organization to ensure adequate familiarity with organizational culture and performance expectations. The final sample size of 250 exceeds the minimum threshold recommended for structural equation modeling and is sufficient for detecting medium effect sizes with adequate statistical power (Hair et al., 2017).

Data were collected using a structured questionnaire administered directly to respondents. All constructs were measured using previously validated multi-item scales adapted from established literature to ensure content validity. Competence was operationalized as employees perceived capability in performing job-related tasks, organizational culture as shared values and norms guiding behavior, job satisfaction as an overall evaluative response to work, and employee performance as self-reported task and contextual performance (see Table 1 for clarification).

Responses were recorded using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), which is appropriate for predictive research models involving multiple latent constructs and complex relationships. PLS-SEM was selected over covariance-based SEM due to its robustness with non-normal data distributions and its suitability for exploratory and theory development contexts (Hair et al., 2017). The analysis was conducted in two stages. First, the measurement model (outer model) was evaluated to assess construct reliability and validity, including indicator loadings, composite reliability, Cronbach's alpha, average variance extracted (AVE). Second, the structural model (inner model) was assessed to examine hypothesized relationships among constructs, including path coefficients, coefficient of determination (R^2) and effect sizes (f^2). Statistical significance was tested using a bootstrapping procedure with 5,000 resamples.

Table 1. Item Measurement

Variable	Items / Constructs	Source
Discipline	Presence	(Martínez-Martí & Ruch, 2017)
	Compliance with work regulations	
	Compliance with work standards	
Organizational Culture	High level of alertness	(Tien & Anh, 2019)
	Work ethically.	
	Outcome Orientation	
Job Satisfaction	People Orientation	(Arianti et al., 2020)
	Organizational Flexibility	
	Satisfaction with the job itself	
	Satisfaction with salary	
	Satisfaction with promotion	
Employee Performance	Satisfaction with supervision	(Main & Se, 2020)
	Satisfaction with coworkers	
	Quality	
	Quantity	
	Punctuality	
	Effectiveness	
	Independence	
	Work Commitment	

RESULTS

Prior to testing the structural relationships, the measurement model was evaluated to ensure the reliability and convergent validity of all constructs. Convergent validity was assessed using Average Variance Extracted (AVE), while internal consistency reliability was examined through Cronbach's alpha and composite reliability. Following established thresholds, AVE values above 0.50 indicate adequate convergent validity, where analyzed the data using SmartPLS by testing validity, reliability, coefficient of determination, and path coefficient. Figure 2 shows the results of the PLS analysis. The loading is observable in Figure 2.

Table 2. Convergent Validity and Reliability of Constructs

Constructs	AVE	Cronbach's Alpha	Composite Reliability
Competence	0.754	0.934	0.939
Organizational Culture	0.779	0.929	0.929
Job Satisfaction	0.819	0.955	0.960
Employee Performance	0.821	0.956	0.965

Note: AVE = Average Variance Extracted.

Source: Adapted Smartpls Output (2025).

The results indicate that all constructs meet the recommended criteria for convergent validity and reliability. Specifically, AVE values range from 0.754 to 0.821, exceeding the minimum threshold of 0.50, which confirms that each construct explains more than half of the variance of its indicators. Additionally, Cronbach's alpha and composite reliability values for all constructs are well above 0.70, indicating strong internal consistency. These findings suggest that the measurement model is both reliable and valid, thereby supporting its suitability for subsequent structural model analysis.

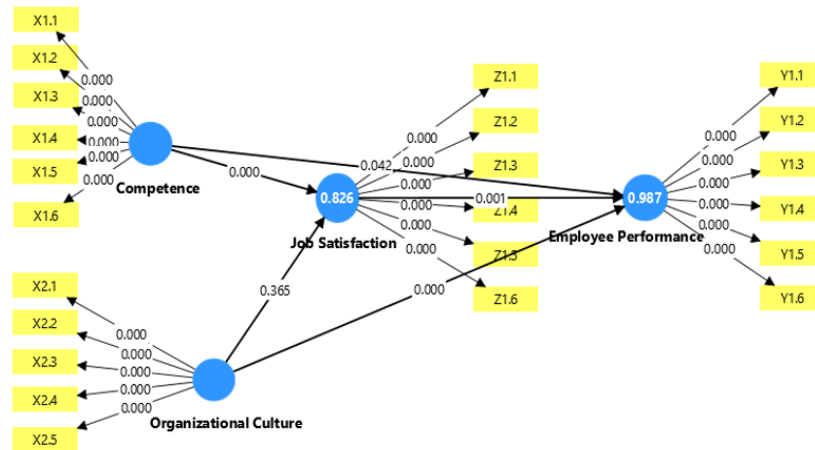


Figure 2. Test results bootstrapping

The structural model was evaluated to test the proposed hypotheses and assess the explanatory power of the model. Path coefficients (β), t-statistics, and p-values were examined using a bootstrapping procedure with 5,000 resamples to determine the significance of the relationships. In addition, the coefficient of determination (R^2) was used to evaluate the model's predictive accuracy for the endogenous constructs. The results of the hypothesis testing and structural model evaluation are presented in Table 3.

Table 3. Structural Model Results and Coefficient of Determination

Relationship	β	t-value	p-Value	Decision
Competence $\rightarrow$ Job Satisfaction	0.776	4.738	0.000	Supported
Organizational Culture $\rightarrow$ Job Satisfaction	0.145	0.907	0.365	Rejected
Competence $\rightarrow$ Employee Performance	0.278	2.035	0.042	Supported
Organizational Culture $\rightarrow$ Employee Performance	0.608	4.027	0.000	Supported
Job Satisfaction $\rightarrow$ Employee Performance	0.143	3.207	0.001	Supported
Competence $\rightarrow$ Job Sat. $\rightarrow$ Employee Perf.	0.111	2.839	0.005	Supported
Organizational Culture $\rightarrow$ Job Sat. $\rightarrow$ Employee Perf.	0.021	0.997	0.319	Rejected
Endogenous Variable	R^2			
Job Satisfaction	0.826			
Employee Performance	0.987			

Note: β = standardized path coefficient; significance assessed at $p < 0.05$.

Source: Adapted Smartpls Output (2025).

The results indicate that competence exerts a strong and significant positive effect on job satisfaction ($\beta = 0.776$, $p < 0.001$), while organizational culture does not significantly influence job satisfaction ($\beta = 0.145$, $p > 0.05$). In terms of employee performance, both competence ($\beta = 0.278$, $p < 0.05$) and organizational culture ($\beta = 0.608$, $p < 0.001$) demonstrate significant positive effects, with organizational culture showing a substantially stronger contribution. Job satisfaction also significantly enhances employee performance ($\beta = 0.143$, $p < 0.01$), confirming its role as a motivational mechanism.

Regarding indirect effects, job satisfaction significantly mediates the relationship between competence and employee performance ($\beta = 0.111$, $p < 0.01$), indicating a complementary pathway through which competence improves performance. However, the mediating effect of job satisfaction in the relationship between organizational culture and employee performance is not supported ($\beta = 0.021$, $p > 0.05$), suggesting that organizational culture primarily operates through a direct mechanism. Furthermore, the R^2 values indicate strong explanatory power, with 82.6% of the variance in job satisfaction and 98.7% of the variance in employee performance explained by the model. These findings collectively support the robustness of the proposed structural relationships while highlighting distinct causal pathways across constructs (Ghozali & Latan, 2015).

DISCUSSION

The findings confirm that competence enhances job satisfaction, supporting H1 and reinforcing the argument that employee capability shapes not only performance outcomes but also how work is experienced. Employees who possess adequate knowledge, skills, and adaptive capacity are more likely to perceive their roles as manageable and meaningful, which strengthens positive work evaluation. This aligns with Goal Setting Theory, where goals become motivating only when individuals feel capable of achieving them. Contemporary HRM literature similarly shows that competence, when aligned with job demands, reduces role strain and enhances perceived mastery, leading to higher satisfaction. From a practical standpoint, this suggests that competence development should be treated as a strategic lever for improving both employee well-being and organizational effectiveness (Campion et al., 2020; Hoff et al., 2020; Kristof-Brown et al., 2023).

In contrast, H2 is not supported, indicating that organizational culture does not significantly influence job satisfaction. This finding challenges the common assumption that culture uniformly enhances employee attitudes. A plausible explanation is that culture may operate at a symbolic or institutional level without being sufficiently embedded in daily work practices to influence employees' evaluative experiences. HRM research increasingly suggests that culture affects satisfaction only when it is enacted through tangible managerial behaviors such as fairness, support, and recognition. When culture remains abstract or weakly internalized, employees may comply with expectations without experiencing greater satisfaction. This finding refines existing theory by emphasizing that contextual factors influence attitudes only when they are directly experienced in work interactions (Kaur & Kang, 2021; Liu et al., 2024).

The acceptance of H3 confirms that competence directly improves employee performance. This result is theoretically consistent with Goal Setting Theory, which assumes that effective goal pursuit requires the ability to plan, execute, and adapt behavior. Competent employees demonstrate stronger task execution, higher adaptability, and better problem-solving capacity, all of which are essential components of contemporary performance. The finding also supports human capital theory, which views competence as a productive resource that enhances organizational outcomes. For practitioners, the implication is straightforward: investments in training, skill development, and capability building are not optional but central to sustaining performance in dynamic work environments (Griffin et al., 2007; Campion et al., 2020).

Similarly, H4 is supported, showing that organizational culture positively influences employee performance. Unlike its relationship with satisfaction, culture appears to operate through a direct behavioral pathway by shaping norms, coordination, and expectations. A strong culture reduces ambiguity, aligns individual behavior with organizational goals, and reinforces consistent performance standards. This supports the view that culture functions as a coordination mechanism rather than purely an affective driver. Prior research on high-performance work systems also indicates that organizational context enhances performance by structuring how work is executed, not merely by influencing employee attitudes. The implication is that culture should be operationalized through routines, accountability systems, and leadership practices that translate values into observable behavior (Dastmalchian et al., 2020; López-Cabarcos et al., 2022).

The findings further support H5, confirming that job satisfaction positively influences employee performance. This reinforces the long-standing argument in HRM that satisfied employees are more engaged, persistent, and willing to exert discretionary effort. Satisfaction

functions as a motivational state that sustains goal-directed behavior, particularly under demanding work conditions. Rather than being a passive outcome, job satisfaction plays an active role in converting organizational resources into productive behavior. Organizations aiming to improve performance must therefore consider not only structural and technical factors but also the quality of employees' work experiences (Katebi et al., 2022; Yang et al., 2024).

The mediation analysis supports H6, indicating that job satisfaction partially mediates the relationship between competence and employee performance. This finding highlights the dual role of competence as both a direct enabler of performance and an indirect driver through positive work evaluation. Employees who feel capable are more likely to experience mastery and reduced frustration, which enhances satisfaction and reinforces performance outcomes. This supports a more nuanced HRM perspective in which capability development influences not only what employees can do but also how they feel about their work. For practice, this implies that competence-building initiatives should be designed to enhance both skill acquisition and employee experience (Keltu, 2024; Katebi et al., 2022).

Finally, H7 is not supported, indicating that job satisfaction does not mediate the relationship between organizational culture and employee performance. This suggests that culture influences performance primarily through direct mechanisms such as behavioral alignment and coordination rather than through affective evaluation. Employees may perform effectively because cultural norms clarify expectations and reinforce discipline, even if those norms do not significantly increase satisfaction. This finding challenges overly simplified views of culture as an inherently positive force and instead positions it as a structural driver of behavior. For organizations, the implication is that culture alone is insufficient to enhance satisfaction; it must be complemented by supportive HR practices that directly address employee needs and expectations (Abawa & Obse, 2024; López-Cabarcos et al., 2022).

The results reveal an asymmetric architecture of employee performance in which capability-oriented drivers and context-oriented drivers do not operate through identical mechanisms. Recent evidence shows that performance-enhancing resources and developmental inputs often improve outcomes partly through employee-centered states such as job satisfaction, empowerment, or engagement, whereas organizational culture and strategic alignment can also exert a more immediate direct effect by structuring coordination, expectations, and behavioral consistency (Lu et al., 2023; Judi et al., 2025; Nabi et al., 2025; Gede, 2025). Parallel work further indicates that HR systems do not translate into performance through one universal pathway, because the strength of attitudinal mediation varies across individual, team, and institutional settings (Suhail et al., 2025; Aggarwal, 2024). This broader pattern strengthens the present argument that HRM theory should move beyond symmetrical assumptions and instead recognize that employee performance emerges from multiple routes, requiring integrated performance systems that develop capability, reinforce contextual alignment, and sustain positive employee experience simultaneously (Lukito et al., 2025; Sankar, 2026).

CONCLUSION AND FURTHER STUDY

This study demonstrates that employee performance is shaped by asymmetric mechanisms in which competence and organizational culture operate through distinct pathways. Competence enhances performance both directly and indirectly through job satisfaction, confirming its dual role as a capability resource and a driver of positive work evaluation. In contrast, organizational culture influences performance primarily through direct behavioral alignment rather than through satisfaction, indicating that culture functions more as a coordination system than an affective mechanism. These findings refine Goal Setting Theory by showing that goal attainment depends not only on clarity and commitment but also on the interaction between individual capability and contextual structure. Practically, organizations should prioritize competence development as a strategic investment that improves both employee experience and performance outcomes, while simultaneously designing culture as an execution system embedded in leadership practices, routines, and accountability structures rather than relying on symbolic values alone.

Several limitations should be acknowledged. First, the cross-sectional design restricts causal inference and does not capture dynamic changes in competence, satisfaction, or performance over time. Second, the reliance on self-reported data introduces the possibility of

perceptual bias despite procedural controls. Third, the study focuses on manufacturing firms in Sulawesi Selatan, which may limit generalizability to other sectors or institutional contexts. Future research should employ longitudinal designs, incorporate multi-source data, and explore boundary conditions such as leadership style, digital work environments, or psychological resources that may strengthen or weaken the observed relationships. Further studies could also examine whether organizational culture becomes more influential on satisfaction when operationalized through specific HR practices rather than as a general construct. Expanding the model to include moderating or cross-level mechanisms would provide a more comprehensive understanding of how capability, context, and employee experience jointly shape performance.

ETHICAL DISCLOSURE

All participants provided written informed consent before participation. They were informed about the study's purpose, their voluntary participation, the right to withdraw at any time, and the confidentiality of their responses

CONFLICT OF INTERESTS

The authors declare no conflict of interest.

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