

The Effect of Competence and Compensation on Performance with Job Satisfaction as an Intervening Variable

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ABSTRACT

This study was driven by the declining performance of agricultural extension workers at the Kulon Progo Regency Agriculture and Food Service Office, which was influenced by compensation discrepancies and less than optimal competency development. This study aims to analyse the effect of competence and compensation on performance with job satisfaction as an intervening variable. The method used is a quantitative approach with a sample of 140 respondents determined through the Slovin formula and Accidental Sampling technique. The results showed that competence and compensation have a significant positive effect on performance, both directly and through job satisfaction. Job satisfaction proved to be an important link that strengthens the influence of competence and compensation on the performance of extension workers. The implications of these results emphasise the need for continuous competency development and fair compensation to improve extension worker satisfaction and performance. This research provides insights for policy makers to design more effective human resource management strategies in supporting the productivity of the agricultural sector in Kulon Progo.

1. INTRODUCTION

Indonesia is known as an agrarian country where agriculture is the backbone of the national economy. However, in the last two decades, the sector has faced serious challenges, such as low productivity, weak competitiveness, and the declining interest of the younger generation to become farmers. Data from the Agricultural Census (ST2023) shows that only around 32.32% of the total 29.3 million farmers are in the productive age range (25-44 years), a worrying trend for the sustainability of national agriculture (Nurman, 2024).

To overcome these challenges, the government is trying to improve the performance of agricultural extension workers as the spearhead of transformation in the field. Agricultural extension serves as a bridge between modern knowledge and traditional practices run by farmers (Aulia et al., 2023). Agricultural extension officers have an important role in helping farmers understand technological innovations and make the right decisions in their farms (Tyas, 2019; Latif et al., 2022). However, in the field there are still various obstacles such as weak interactions between extension workers and farmers which cause negative perceptions of the role of extension workers (Pakpahan et al., 2021). Another problem is the low level of welfare of farmers which is still dominated by the lack of access to technological education. Therefore, non-formal education that is practical and easy to implement is needed for farmers. In this context, the presence of extension workers is very strategic to foster farmers' independence and confidence.

An organisation has a competitive advantage if it has good performing human resources. Employee performance or performance is directly proportional to the results, where good employee performance has a good impact on the organisation or company and vice versa, poor employee performance will also have a bad impact on the company (Paparang et al., 2021). The performance of extension workers as part of local government organisations, especially the Agriculture Office, is strongly influenced by the quality of their human resources. Competent and professional human resources are able to make a significant contribution to the achievement of organisational goals (Septiana et al., 2023). The competitive advantage of an organisation cannot be separated from the quality of employee performance, which is largely determined by competence, professionalism, and commitment to work (Paat et al., 2017; Aminin & Rijanti, 2022).

Individual competence is an important asset to achieve optimal work productivity. Good technical and interpersonal competencies support extension workers in facing challenges in the field and interacting with farmers effectively (Faizal et al, 2019; Dasuki, 2021). In addition to competence, compensation is also an important factor in encouraging employee enthusiasm and performance. Compensation, both financial and non-financial, serves as a reward for employee

contributions and encourages higher work motivation (Kurniawan & Albar, 2020; Bernard, 2024).

Another factor that influences extension worker performance is job satisfaction. Job satisfaction reflects employees' emotional and evaluative attitudes towards their jobs (Candra & Kusmaningtyas, 2020; Wulandari et al, 2020) . If a person's level of job satisfaction is high, it will show a positive attitude towards his job, and vice versa. If a person's level of job satisfaction is low (dissatisfied), it will show a negative attitude towards their work.

These three phenomena show that competence, compensation, and employee satisfaction, including in the agricultural sector, need serious attention in order to improve overall organisational performance. At the Kulon Progo Regency Agriculture Office, a number of extension workers were reported to have experienced a decline in work motivation. Based on initial observations, it was found that many extension workers felt that the compensation they received was not proportional to the workload and challenges in the field. In addition, despite training programmes, there has not been a significant improvement in the performance of extension workers. These conditions indicate the importance of a thorough evaluation of the competency development system and compensation management so that the role of extension workers as agents of change in the agricultural sector can be optimised.

In various studies, the effect of competence and compensation on performance, with job satisfaction as an intervening variable, shows inconsistent results. Some studies find that competence has a significant positive effect on performance. This is in line with research conducted by Permana et al., (2021), Sugiono et al., (2021), and Efendi & Yusuf, (2021) which states that employee competence has a direct influence on company performance without considering intervening variables. In terms of targets and reality, this study aims to specifically examine the context of agricultural extension workers at the Agriculture and Food Service Office of Kulon Progo Regency, while previous studies tend to focus on private companies or the industrial sector. In addition, when compared between years, this research was carried out in 2024 which involved specific challenges in the agricultural sector, in contrast to the focus of previous research which examined the conditions of different sectors in 2021. Different results were obtained by Khatimah, (2021), Anwar & Chairy, (2022) which states that competence does not directly affect the performance of a company. In terms of target and reality, this research is focused on the context of agricultural extension workers at the Agriculture and Food Service Office of Kulon Progo Regency, a specific and unique sector, while previous studies have mostly examined the industrial sector or private companies in general. The lack of a clearly defined research gap and justification in previous studies on agricultural extension in rural public institutions is the main reason this research was conducted to fill the literature gap and provide a more contextualised empirical understanding. There is a gap that needs to be bridged, namely the lack of research that specifically examines the influence of competencies in the context of the agricultural public sector, such as agricultural extension workers, which have different work characteristics than the industrial sector or private companies. This research attempts to address this gap by examining the agricultural extension workforce at the Kulon

Progo Regency Agriculture and Food Service Office in 2024, where the dynamics of fieldwork and the challenges of modern agriculture demand specific competencies that have not been widely explored in previous literature. Thus, this approach is expected to provide a more accurate contextual contribution to the understanding of the relationship between competencies and performance.

In addition to competence, studies on compensation effects on performance have also been researched, namely by Saepulloh & Suyanto, (2024), Alia et al., (2024), and Fitriani et al., (2022) show that compensation has a direct influence on improving company performance, both in the context of private companies and other industrial sectors. However, this result is different from the research of Novianti et al. (2023), which states that compensation does not directly affect company performance, but through other variables as mediators. This difference in results can be caused by differences in research contexts, such as industrial sector, location, or respondent characteristics. In terms of targets and reality, research conducted in 2024 is more focused on the modern sector and technology-based companies, while research Fitriani et al., (2022) covers more diverse sectors. Meanwhile, the study Novianti et al. (2023) examines companies with more traditional organisational structures, so the approach to compensation and performance may be different. Differences between years also contribute, given the changing economic, social and developmental dynamics of the world of work, which affect the way compensation is applied and performance is evaluated. The lack of clear research gaps and justifications in the study of compensation in public work environments, especially in agricultural extension workers in rural areas, makes this research relevant to provide new contributions that are applicable and contextualised. The gaps in the findings are most likely due to differences in organisational context, respondent characteristics, as well as differences in research methodology. This research fills the gap by examining the role of compensation in a more specific and contextualised work environment, namely in the agricultural public sector, which often has different reward and motivation structures than the private sector. With a focus on the year 2024, this study also considers recent economic dynamics and government policies that impact the compensation systems of non-industrialised personnel.

Job satisfaction as an intervening variable plays a role in bridging the relationship between competency and compensation variables and performance variables even though job satisfaction is not always a strong motivational factor for a person. Research conducted by Afriani, (2021), and Puspita & Sumartik, (2023) shows that job satisfaction has a significant effect on company performance, both directly and through optimal work environment management. Meanwhile, research Suristya & Adi, (2021) found that job satisfaction acts as an intervening variable that bridges the relationship between competence and motivation with performance. This result is different from the research of Janah I. (2024), which concluded that job satisfaction has no significant effect on company performance, possibly due to different company contexts or analysis methods. In terms of target and reality, research by Afriani, (2021) and Suristya & Adi, (2021) is mostly conducted in the service sector, while research by

Puspita & Sumartik, (2023) focuses on the manufacturing sector, which may face more intense job satisfaction dynamics. On the other hand, Janah I. (2024), covers companies with work cultures that may prioritise factors other than job satisfaction, such as financial incentives or operational strategies. This variation in priorities indicates that, although some organizations focus on financial or strategic factors, job satisfaction remains vital shaped by recognition and fair compensation. The inconsistency highlights a gap in understanding when job satisfaction effectively mediates outcomes. This study bridges that gap by contextualizing the analysis within the agricultural extension sector characterized by unique structures and intrinsic motivation and employing SEM-PLS for a more precise examination of its mediating role.

This study specifically aims to analyse the effect of competence and compensation on the performance of agricultural extension workers, with job satisfaction as an intervening variable, within the Kulon Progo Regency Agriculture and Food Service Office. The uniqueness of this research lies in its contextual focus that examines the agricultural public sector, especially the agricultural extension profession which has different fieldwork characteristics and structural challenges compared to the industrial or private sectors that have been studied previously. In addition, this research is conducted in 2024 by considering the current dynamics in agricultural policy, the state apparatus compensation system, and the challenges of regenerating young farmers, which have not been explored in previous similar studies. With a quantitative approach through SEM-PLS analysis, this study is expected to provide a more precise and applicable empirical contribution to the strategy of improving the performance of extension workers, as well as bridging the gap of previous research results that show inconsistencies in the relationship between competence, compensation, job satisfaction, and performance.

Conceptual Framework

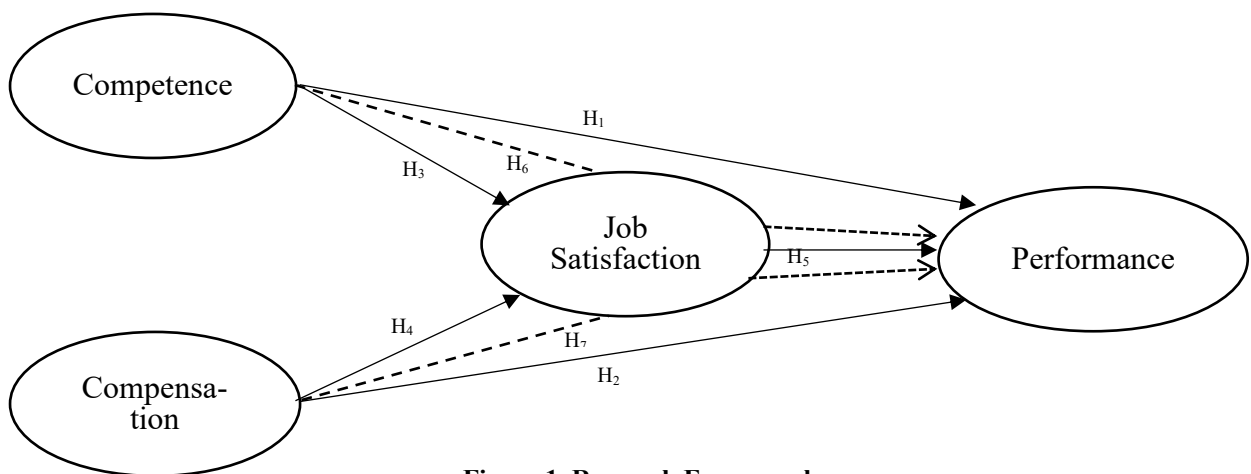


Figure 1. Research Framework

RESEARCH METHOD

This research method uses a quantitative approach with an explanatory research design. The research subjects are Agricultural Extension Workers of the Agriculture and Food Service of Kulon Progo Regency, with the object of research in the form of competency variables, compensation, job satisfaction, and organisational performance. The population in this study

consisted of 176 Agricultural Extension Workers under the auspices of the Kulon Progo Regency Agriculture and Food Service Office. Sampling was carried out using non-probability techniques, precisely accidental sampling, which is based on the availability and ease of access of respondents found in the field. Based on the Slovin formula with a margin of error of 10%, the number of samples obtained was 140 respondents. The selection of a 10% margin of error is based on considerations of efficiency and limited resources, but is still considered adequate to obtain a representative overview of population characteristics in the context of this study. Primary data were collected through a five-point Likert scale questionnaire. Instrument tests included validity (factor loading ≥ 0.40) and reliability (Cronbach alpha ≥ 0.50 ; composite reliability ≥ 0.70). Data analysis was carried out descriptively and inferentially with the SEM-PLS approach using SmartPLS 4. The analysis procedure includes validity testing, composite reliability, model fit evaluation, and hypothesis testing through inner model analysis and R-square value and mediation test.

2. RESULTS & DISCUSSION

Respondent Characteristics. Understanding the background of respondents is a crucial element in supporting the validity of data analysis in this study. Demographic identities such as gender, age range, education level, and duration of service reflect a comprehensive picture of the profile of Agricultural Extension Workers within the Agriculture and Food Service Office of Kulon Progo Regency.

Table 1. Characteristics of Respondent Data

Characteristics Responden	Category	Total	Percentage (%)
Gender:	Male	101	72%
	Women	39	28%
	Total	140	100%
Age of Respondent:	21 th - 29 th	1	1%
	30 th - 39 th	18	13%
	> 40 yrs	121	86%
	Total	140	100%
Last Education:	Junior high school/equivalent	8	6%
	High school/equivalent	55	39%
	D1/D2/D3	26	19%
	S1	45	32%
	S2	5	4%
	S3	1	1%
	Total	140	100%
Length of Service:	<1 year	3	2%
	1 year - 5 years	36	26%
	6 years - 10 years	22	16%
	>11 years	79	56%
	Total	140	100%

Source: Data processed, 2025

Based on the data obtained, most respondents were male (72%), reflecting the male dominance in the agricultural extension profession in Kulon Progo Regency. Most of the extension workers (86%) were over 40 years old, indicating that the field is dominated by experienced individuals who have a deep understanding of land conditions, cropping patterns, and social relations with farmers, abilities that are generally formed through a long process. In terms of education, the majority are high school graduates (39%), followed by S1 (32%) and D1/D2/D3 (19%), indicating that the extension workers already have an adequate knowledge base, although opportunities to improve competence through further education remain open. Meanwhile, more than half of the respondents (56 per cent) have more than 11 years of work experience, showing a level of loyalty and depth of experience that is an important asset in carrying out tasks. This combination of experience, education and demographic characteristics provides a strong foundation for evaluating the influence of competence and compensation on extension worker performance, with job satisfaction as a mediating variable that enriches understanding of extension dynamics in the field.

Outer Model Test. Testing the outer model aims to evaluate the quality and validity of the relationship between latent variables (constructs that cannot be measured directly) and indicators (variables that can be measured). The main objective is to ensure that the indicator truly represents the intended construct. The outer model test is carried out through measuring certain criteria, namely *convergent validity*, *discriminant validity* and *composite reliability*:

Convergent Validity. *Convergent validity* is the degree to which indicators measuring the same construct are strongly and positively related to each other. This means that the indicator truly represents the latent variable being measured. *Convergent validity* uses the *Average Variance Extracted* value.

Table 2. AVE Test Results Covergent Validity Test

Variables	Average variance extracted (AVE)	Description
Competence	0,711	Valid
Compensation	0,612	Valid
Job Satisfaction	0,553	Valid
Performance	0,567	Valid

Source: Data processed, 2025

The results of the *Average Variance Extracted* (AVE) estimation in the table above show that the four variables in this study have an AVE value above 0.5. This indicates that each variable meets the criteria for convergent validity, which means that the indicators used are able to explain the variables well and consistently. With the AVE results exceeding the 0.5 threshold, it can be concluded that the measurement model in this study has strong validity. This means that the four variables are really able to explain the phenomenon under study, namely how competence and compensation affect the performance of agricultural extension workers with job satisfaction as an intervening variable at the Agriculture and Food Service Office of Kulon Progo Regency.

Discriminant Validity. *Discriminant validity* is an important aspect in PLS-SEM to ensure that each construct in the model is unique and does not overlap. This test uses the *cross-loading* method, where the *cross loading* of each indicator on its construct must be higher than that of other constructs.

Table 3. Discriminant Validity Test Cross Loading Results

Variables	Competence	Compensation	Satisfaction	Performance	Mean
Competence	0,807	0,250	0,348	0,459	7,707
	0,808	0,200	0,334	0,390	7,814
	0,858	0,298	0,500	0,507	7,836
	0,867	0,141	0,400	0,392	8,386
	0,880	0,314	0,511	0,537	8,179
	0,839	0,077	0,436	0,415	8,343
Compensation	0,132	0,730	0,411	0,272	6,636
	0,170	0,808	0,375	0,311	6,857
	0,202	0,845	0,509	0,363	6,800
	0,228	0,787	0,352	0,282	6,579
	0,316	0,777	0,461	0,324	7,307
	0,163	0,742	0,377	0,248	7,057
Job Satisfaction	0,493	0,410	0,700	0,580	7,900
	0,305	0,438	0,806	0,635	7,721
	0,356	0,438	0,800	0,637	7,621
	0,416	0,291	0,774	0,647	7,750
	0,121	0,766	0,602	0,380	6,914
	0,495	0,212	0,726	0,560	7,971
Performance	0,435	0,267	0,776	0,606	7,821
	0,460	0,520	0,631	0,729	7,750
	0,348	0,386	0,566	0,781	7,671
	0,402	0,244	0,662	0,872	7,850
	0,423	0,178	0,493	0,694	7,857
	0,409	0,164	0,571	0,668	8,021
	0,396	0,242	0,594	0,757	7,736

Source: Data processed, 2025

Based on the results of the *Cross Loading Discriminant Validity Test* displayed in the table above, all indicators are declared valid because they meet the *discriminant validity* criteria, where the loading factor of each indicator is higher in its original construct than in other constructs. These results strengthen the validity of the model and ensure that each latent variable is measured by the right indicator according to its construct.

Composite Reliability. *Composite reliability* analysis was conducted to evaluate the consistency and reliability of the constructs in this research model. The following table presents the *compo-*

site reliability value for each variable. These results are obtained from smartPLS output to provide an overview of the extent to which the indicators in each construct can be relied upon to measure latent variables. The following are the results of the *composite reliability* value:

Table 4. Composite Reliability Test Results

Variables	Composite reliability	Description
Competence	0,937	Valid
Compensation	0,904	Valid
Job Satisfaction	0,896	Valid
Performance	0,886	Valid

Source: Data processed, 2025

The *composite reliability* test results in the table above show that all variables in this study have values above 0.7, which indicates a high level of reliability. According to Hair et al. (2019), a *Cronbach's Alpha* value above 0.7 indicates that the instrument used has good internal consistency, so that each indicator in the variable is able to measure the same concept in a stable and reliable manner.

Model Fit. The model fit test aims to ensure that the model built is able to represent the relationship between variables well and approach empirical reality in the field. Indicators such as *Standardised Root Mean Square Residual* (SRMR), *d_ULS* (*Unweighted Least Squares Discrepancy*), *d_G* (*Geodesic Discrepancy*), *Chi-square*, and *Normed Fit Index* (NFI) are used to measure the extent to which the developed model fits the data collected.

Table 5. Model Fit Test Results

Model Fit	Cut-Off	Estimated model	Desc
SRMR	<0.10	0,107	Fit
d_ULS	C1 > OS	3,699	Fit
d_G	C1 > OS	1,249	Fit
Chi-square	² Statistics < ² Table	875,726	Fit
NFI	Close to 1	0,666	Fit

Source: Data processed, 2025

Based on the results in the table above, the SRMR of 0.107 indicates that the model still needs improvement to get closer to the ideal model. *d_ULS* of 3.699 and *d_G* of 1.249 show the level of discrepancy that is still within tolerable limits. Meanwhile, the *Chi-square* shows a value of 875.726, which is greater than 168.613, indicating that the model is quite complex compared to simpler models. The NFI was 0.666, which although not reaching the ideal threshold (0.9 and above), is still acceptable in an exploratory model.

Overall, these results indicate that the research model is sufficiently representative in describing the phenomenon under study although there are some aspects that can be optimised. These values illustrate that the model can still be further developed to get a better level of model fit. Nevertheless, this model is still suitable for use in research because it is able to capture the

relationship between competence, compensation, job satisfaction, and the performance of agricultural extension workers at the Agriculture and Food Service Office of Kulon Progo Regency.

Hypothesis Test. *The path coefficient* describes the strength and direction of the influence between exogenous latent variables on endogenous latent variables in the research model. According to Hair et al. (2019), a relationship is considered significant if the P-value < 0.05 , which indicates that the influence between variables does not occur by chance and has a real impact. The following picture of the *Path coefficient* test results is as follows:

Table 6. Hypothesis Test Results

Path Coefficient	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics	P values	Desc
Competence → Performance	0,190	0,208	0,096	1,985	0,047	Proven
Compensation → Performance	0,042	0,336	0,086	2,487	0,026	Proven
Competence → Job Satisfaction	0,396	0,384	0,166	2,383	0,017	Proven
Compensation → Job Satisfaction	0,433	0,455	0,102	4,256	0,000	Proven
Job Satisfaction → Performance	0,709	0,695	0,104	6,847	0,000	Proven

Source: Data processed, 2025

The effect of competence on performance. The results showed that competence has a positive and significant influence on the performance of agricultural extension workers at the Kulon Progo Regency Agriculture and Food Service Office, with a coefficient value of 0.190, a T-statistic of 1.985 (greater than 1.656), and a P-value of 0.047 (smaller than 0.05). This proves that the higher the competence of extension workers, the higher their performance. Competencies that include knowledge, understanding, abilities, values, attitudes, and interests are important elements that support the improvement of individual performance (Indriasari et al., 2025). Therefore, developing the competence of extension workers through training, coaching, and increasing insight is a strategic step that can increase the effectiveness of extension workers' performance in the field. Extension workers who have a deep understanding of cultivation techniques, up-to-date knowledge of agricultural innovations, and skills in delivering extension materials have proven to be able to provide more effective assistance to farmers (Ramadhana & Subekti., 2021). In addition, professional attitudes and a high level of interest in agriculture make extension workers more responsive to challenges in the field, such as climate change, pest attacks, or the application of modern agricultural technology. The impact can be seen in the increased productivity of assisted farmers and the success of agricultural programmes launched by local governments. This research is supported by research conducted by Janah (2023), Afriani (2021), Saepulloh & Suyanto (2024) who said that extension workers with high competence are not only more effective in their duties but also more satisfied in their work, which overall improves the performance of the agricultural service.

The effect of compensation on performance. The results showed that compensation has a positive and significant influence on the performance of agricultural extension workers at the

Kulon Progo Regency Agriculture and Food Service Office. The coefficient value of 0.042 indicates that each increase in compensation will increase the performance of extension workers by 4.2%. The T-statistic value of 2.487 which is greater than 1.656, and the P-value of 0.026 which is smaller than 0.05, indicate that this effect is significant at the 95% confidence level. Compensation that includes salaries, incentives, allowances, bonuses, treatment, and facilities is proven to provide motivation for extension workers to work more optimally (Nabila, 2016). Extension workers who feel appreciation for their hard work is fulfilled tend to be more enthusiastic in assisting farmers, providing new innovations, and ensuring agricultural programmes are successful. Extension workers who are compensated according to expectations are more dedicated and responsible in carrying out their duties (Soegandhi & Sutanto, 2013). They not only carry out routine counselling, but also actively build good relationships with farmers, ensure agricultural problem solving, and encourage innovation at the local level. With proper compensation, extension workers feel better welfare, which in turn triggers sustainable work enthusiasm, having a positive impact on increasing agricultural productivity in the Kulon Progo region. This research is supported by research conducted by Anwar & Chairy (2022), Alia et al (2024) and Salim et al (2022) which state that fair and competitive compensation can improve employee performance, including in the Department of Agriculture and Food.

The effect of competence on job satisfaction. The results showed that competence has a positive and significant effect on job satisfaction of agricultural extension workers at the Kulon Progo Regency Agriculture and Food Service Office, with a coefficient value of 0.396, a T-statistic of 2.383 (greater than 1.656), and a P-Value of 0.017 (smaller than 0.05). This indicates that an increase in competence will contribute directly to an increase in job satisfaction. Competence measured through knowledge, understanding, abilities, values, attitudes, and interests allows extension workers to feel more capable and confident in carrying out their duties (Pramono et al., 2017). When extension workers feel competent, they tend to be more satisfied with the content of their work because they feel able to provide the right solutions to farmers. Extension workers who have a deep *understanding* and technical *skills* are more confident in assisting farmers, solving problems in the field, and applying effective extension methods. In addition, a strong understanding of work *values* and a positive *attitude* make them feel more valued and recognised for their contributions (Suharyati et al., 2023). Competent extension workers are more likely to achieve success in assisting farmer groups, such as increased yields or successful application of new agricultural technologies. These successes give extension workers a sense of pride and satisfaction as they see the real impact of their efforts. In addition, high competence also facilitates communication with farmers and other stakeholders, so that extension workers feel more valued, recognised, and motivated to continue to make the best contribution to the advancement of agriculture in Kulon Progo. This research is supported by research conducted by Efendi (2024), Suristya & Adi (2021), and Faddlillah et al (2024) who say that increasing employee competence can increase their job satisfaction.

The effect of compensation on job satisfaction. The results showed that compensation has a positive and significant influence on job satisfaction of agricultural extension workers at the Agriculture and Food Service Office of Kulon Progo Regency, with a coefficient value of 0.433,

a T-statistic of 4.256 (greater than 1.656), and a P-value of 0.000 (smaller than 0.05). This confirms that the better the compensation received, the level of job satisfaction of extension workers as measured by job content, supervision, organisation and management and opportunities for advancement will also increase. Compensation as measured by salary, incentives, allowances, bonuses, treatment, and facilities has a direct impact on the feeling of satisfaction of extension workers in carrying out their duties (Juniarti, 2021). Extension workers who receive compensation as expected feel more motivated to carry out their duties optimally, starting from assisting farmers, providing solutions to agricultural problems, to encouraging technological innovation at the farm level. In addition, adequate compensation provides a sense of financial security, so that extension workers can be more focused and dedicated to their work without being burdened by economic problems (Nurhasanah, 2024). Extension workers who are satisfied with their compensation also tend to show high loyalty to the agency, and build more positive working relationships both with fellow extension workers and with farmers. This creates a conducive and productive working atmosphere, which in turn supports the improvement of the quality of agricultural extension in Kulon Progo. This research is supported by research conducted by Salim et al (2022) and Alia et al (2024) which states that compensation has a significant effect on employee job satisfaction. These results indicate that adequate compensation can increase employee job satisfaction.

The effect of job satisfaction on performance. The results showed that job satisfaction has a positive and significant influence on the performance of agricultural extension workers at the Agriculture and Food Service Office of Kulon Progo Regency, with a coefficient value of 0.709, a T-statistic of 6.847 (greater than 1.656), and a P-value of 0.000 (smaller than 0.05). This indicates that the higher the level of job satisfaction felt by extension workers, the more their performance will increase significantly. Job satisfaction measured through job content, supervision, organisation and management, opportunities for advancement, employee benefits, co-workers, and working conditions contribute greatly to creating better performance (Marbun & Jufrizen, 2022). Satisfied extension workers will be more energised when assisting farmers, providing innovations, and ensuring the latest farming methods are implemented effectively. For example, when an extension worker feels supported by good supervision and co-operative colleagues, he or she is more likely to share experiences and solutions to challenges, such as crop pests or extreme weather changes. In addition, job satisfaction also builds emotional commitment, where extension workers feel that their work is not just a routine, but a valuable form of service for the advancement of the agricultural sector in Kulon Progo. They will be more proactive, innovative, and disciplined in carrying out their duties, which are ultimately reflected in increased quantity, quality, efficiency, timeliness, compliance with rules, and creativity in extension (Wulandari, 2024). In other words, job satisfaction creates a positive cycle: satisfied extension workers will perform better, and good performance in turn will reinforce a sense of satisfaction at work. This research is supported by research conducted by Salim et al (2022), Permana et al (2021), Puspita & Sumartik (2023) found that job satisfaction has a positive and

significant influence on employee performance.

Table 7. Test Results of Mediating Variables

Path Coefficient	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Desc
Competence→ Job Satisfaction→ Performance	0,281	0,262	0,114	2,470	0,014	Accepted
Compensation→ Job Satisfaction→ Performance	0,307	0,316	0,087	3,523	0,000	Accepted

Source: Data processed, 2025

The effect of competence on performance through job satisfaction. Competence has a significant indirect effect on performance through job satisfaction, with a coefficient value of 0.281, a T-statistic of 2.470 (greater than 1.656), and a P-value of 0.014 (smaller than 0.05). This shows that increasing the competence of extension workers will encourage increased job satisfaction first, which then leads to improved performance. Competencies, which include knowledge, understanding, abilities, values, attitudes, and interests, equip extension workers with the skills needed to carry out tasks effectively, so they feel more satisfied with challenging and meaningful job content, and feel valued in a supportive organisational and management system (Noor, 2018). This job satisfaction ultimately encourages extension workers to work better, which can be seen in performance indicators such as quantity and quality of work, efficiency, timeliness, compliance with regulations, and creativity (Meilina, 2017). As a concrete example, when an extension worker has a good understanding of environmentally friendly farming methods and the ability to communicate effectively with farmers, he or she will feel more confident and satisfied when seeing farmers successfully implementing these innovations. This satisfaction encourages the extension worker to continue to improve the quality of his/her assistance, thus optimising his/her performance. This means that the competence possessed is not only the main capital in improving work results, but also a trigger for the formation of job satisfaction that strengthens the spirit, dedication, and resilience of extension workers in carrying out their strategic role in the Kulon Progo agricultural sector. This research is supported by research conducted by Syahrani et al (2021) shows that job satisfaction mediates the effect of competence on the performance of agricultural extension workers. This study found that competence has a positive and significant effect on job satisfaction, and job satisfaction has a significant positive effect on performance. In addition, job satisfaction fully mediates the relationship between competence and performance, suggesting that without job satisfaction, competence does not directly improve performance.

The effect of compensation on performance through job satisfaction. Compensation has a significant indirect effect on performance through job satisfaction, with a coefficient value of 0.307, T-statistic of 3.523 (greater than 1.656), and P-value of 0.000 (smaller than 0.05). This suggests that compensation provided to extension workers not only affects performance directly, but also increases job satisfaction, which then has a positive impact on their performance.

Compensation, which includes salary, incentives, allowances, bonuses, medication, and facilities, contributes greatly to creating feelings of being valued and recognised, which in turn improves job content, supervision, opportunities for advancement, and better working conditions. This increased job satisfaction triggers extension workers to perform better, which is reflected in the quality and quantity of their work. For example, an extension worker who receives additional incentives for his success in guiding farmer groups to achieve increased yields will feel that his efforts are recognised. This feeling of being appreciated fosters the spirit to continue to work better and more productively (Murdani & Wardhana, 2024). In other words, adequate compensation is not only a fulfilment of economic needs, but also an emotional trigger that builds job satisfaction, so that extension workers are more committed and contribute optimally in supporting agricultural productivity in Kulon Progo Regency. This research is supported by research conducted by Efendi & Yusuf (2021) said that compensation has a positive and significant effect on job satisfaction, and job satisfaction has a significant positive effect on performance.

3. CONCLUSION & SUGGESTION

Summary. The results showed that competence and compensation have a positive and significant influence on the performance of agricultural extension workers. Competencies that include knowledge, skills, and professional attitudes can increase the effectiveness of extension workers in assisting farmers. Fair compensation also encourages increased commitment and work performance. In addition, both contribute to job satisfaction, where extension workers who are competent and feel valued will be more satisfied in carrying out their duties. Job satisfaction itself has been shown to play an important role in improving performance. Furthermore, there is a significant indirect effect between competence and compensation on performance through job satisfaction as a mediating variable.

Suggestions. For the management of the Kulon Progo Regency Agriculture and Food Service Office, it is recommended to strengthen the development of extension workers' competencies through continuous training and design a more competitive compensation system to increase motivation and job satisfaction. This step will have a direct impact on improving overall extension performance. For future researchers, it is recommended to examine other factors such as organisational culture, leadership, or intrinsic motivation that may affect extension workers' performance, as well as consider a longitudinal approach and wider area coverage to enrich the research results and strengthen the generalisability of the findings.

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