



Original Article

Education Level, Work Experience, and Employee Performance: The Mediating Role of Job Satisfaction

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Abstract: This study examines the relationships between education level, work experience, and employee performance, with job satisfaction as an intervening variable, within the Goods and Services Procurement Division of the Bojonegoro Regency Secretariat, Indonesia. In the public sector context, improving employee performance is essential for ensuring effective delivery service, yet the direct influence of human capital factors remains inconclusive. This research adopts a quantitative approach using a census method, involving all 142 employees as respondents. Data were collected through structured questionnaires and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4. The findings reveal that education level and work experience do not have a significant direct effect on employee performance. However, both variables have a positive, significant effect on job satisfaction, which, in turn, significantly influences employee performance. Furthermore, mediation analysis indicates that job satisfaction fully mediates the relationship between education level and employee performance, as well as between work experience and employee performance. These results suggest that the impact of human capital factors on performance operates indirectly through psychological mechanisms. The study concludes that enhancing job satisfaction is a critical strategy for improving employee performance in public sector organizations. Therefore, policymakers and managers should focus not only on employees' educational background and experience but also on creating supportive work environments that foster satisfaction. This study contributes to the literature by providing empirical evidence on the mediating role of job satisfaction in the relationship between human capital and employee performance.

Keywords: Education Level; Work Experience; Job Satisfaction; Employee Performance.



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1. Introduction

Human resources constitute a critical strategic asset that determines organizational effectiveness and sustainability, particularly in the public sector, where professionalism, accountability, and service quality are essential. Public institutions are required to ensure that their employees possess the necessary competencies to deliver efficient, transparent services. In this context, the Goods and Services Procurement Division of the Bojonegoro Regency Secretariat plays a vital role in managing public procurement processes, which demand high levels of accuracy,

integrity, and performance. The increase in employees from 2018 to 2025, accompanied by changes in educational attainment and work experience, reflects a dynamic transformation in workforce composition that warrants further empirical investigation. Education level is widely recognized as a fundamental component of human capital that enhances employee capability and organizational productivity. According to Human Capital Theory, investment in education enhances individuals' knowledge, cognitive abilities, and technical competencies, thereby improving job performance. Empirical evidence generally supports this notion, indicating that higher levels of education are associated with improved employee performance (Wulandari, 2017; Ningsih & Afriaris, 2021). Furthermore, education has been shown to influence job satisfaction, which in turn affects performance outcomes (Muntazeri & Indrayanto, 2018; Novialumi & Winata, 2025). However, some studies report contrasting findings, suggesting that higher education does not always lead to better performance and may even negatively influence outcomes in certain contexts (Putri & Firdaus, 2022). Additionally, education level may shape employees' expectations and perceptions, thereby influencing job satisfaction in complex ways (Đukić et al., 2018; Pehlivanoğlu, 2023).

In addition to education, work experience is another crucial determinant of employee performance. Experiential Learning Theory posits that knowledge and skills are developed through continuous experience, reflection, and application. Employees with greater work experience are generally expected to demonstrate higher efficiency, better problem-solving abilities, and improved performance. Several studies have confirmed the positive effect of work experience on employee performance (Ratnawati et al., 2020; Wahyudi, 2018) and job satisfaction (Muntazeri & Indrayanto, 2018; Weerasinghe et al., 2023). However, empirical findings remain inconsistent. Some studies report that work experience does not significantly influence performance (Ningsih & Afriaris, 2021) or job satisfaction (Kardam & Rangnekar, 2012; Ali et al., 2012), while others even identify negative relationships between work experience and productivity (Ekatama et al., 2022). These inconsistencies suggest that the relationship between work experience and employee outcomes is not straightforward and may depend on contextual and psychological factors.

One important factor that may help explain these inconsistencies is job satisfaction. Job satisfaction represents an employee's emotional and psychological evaluation of their job and has been widely recognized as a key determinant of performance. Numerous studies have demonstrated that job satisfaction has a positive and significant effect on employee performance (Djuli et al., 2023; Gazi et al., 2024; Koesmono, 2014). Moreover, job satisfaction has been shown to mediate various organizational relationships. For instance, job satisfaction mediates the relationship between leadership and performance (Anshori et al., 2020) and between work experience and productivity (Subagyo et al., 2023). Similarly, other mediating mechanisms, such as work motivation and engagement, have been found to explain how individual and organizational factors influence performance outcomes (Mubarak et al., 2020; Bayona et al., 2020).

Despite the growing body of literature, several research gaps remain. First, previous studies have produced inconsistent findings regarding the effects of education level and work experience on employee performance, indicating the need for further investigation. Second, while some studies have examined job satisfaction as a mediator, limited research has simultaneously integrated education level, work experience, and job satisfaction within a single comprehensive model, particularly in the public sector context. Third, most prior studies have been conducted in private organizations or specific industries, with limited empirical evidence from government institutions, especially in procurement divisions that involve complex administrative and regulatory processes. Therefore, there is a need to develop a more integrative model that explains how education level and work experience influence employee performance both directly and indirectly through job satisfaction. Aligning with the above discussion, this study aims to fill these gaps by providing empirical evidence from the public sector context. Accordingly, the research objective of this study is to examine the effects of education level and work experience on employee performance, with job satisfaction as an intervening variable, in the Goods and Services Procurement Division of the Bojonegoro Regency Secretariat, Indonesia.

2. Literature Review

2.1. Education Level and Employee Performance

Education level is a central component of human capital that enhances employees' cognitive abilities, technical competencies, and problem-solving skills, thereby improving organizational performance. Human Capital Theory posits that investment in education increases individual productivity and effectiveness. Empirical evidence generally supports this argument. For instance, Wulandari (2017) and Ningsih and Afriaris (2021) found that education level has a positive and significant effect on employee performance. Similarly, Ekatama et al. (2022) reported that education contributes positively to employee productivity, reinforcing the importance of formal knowledge in enhancing work outcomes. However, the relationship between education and performance is not always consistent. Putri and Firdaus (2022) found that education level negatively affects employee performance, suggesting that higher educational attainment may not necessarily translate into better performance, particularly in contexts where job requirements are more practical than theoretical. This inconsistency indicates that education alone may not be sufficient to explain performance differences and may depend on contextual factors such as job design, organizational environment, and employee expectations.

Furthermore, education may influence employee attitudes, including job satisfaction, which in turn affects performance (Muntazeri & Indrayanto, 2018; Novialumi & Winata, 2025).

2.2. Work Experience and Employee Performance

Work experience is another key determinant of employee performance, as it reflects the accumulation of skills, knowledge, and competencies acquired through practical exposure. Experiential Learning Theory emphasizes that learning occurs through continuous experience and reflection, leading to improved performance outcomes. Several studies support this perspective. Ratnawati et al. (2020) and Wahyudi (2018) found that work experience has a positive and significant effect on employee performance. Subagyo et al. (2023) further demonstrated that experienced employees tend to exhibit higher productivity levels. Nevertheless, the empirical evidence regarding the effect of work experience is also mixed. Ningsih and Afriaris (2021) reported that work experience does not significantly affect employee performance, while Ekatama et al. (2022) identified a negative relationship between work experience and productivity. These contradictory findings suggest that the effect of work experience may not be linear and could be influenced by other variables such as job relevance, motivation, or organizational support. Additionally, studies such as Ali et al. (2012) and Kardam and Rangnekar (2012) found no significant relationship between work experience and satisfaction-related outcomes, further highlighting the complexity of this variable.

2.3. Education Level, Work Experience, and Job Satisfaction

Job satisfaction is a critical psychological construct that reflects employees' emotional responses to their work and plays a significant role in shaping behavior and performance. Previous studies have examined how education level and work experience influence job satisfaction, but the results remain inconclusive. Muntazeri and Indrayanto (2018) found that both education and work experience positively affect job satisfaction, while Novialumi and Winata (2025) demonstrated that these relationships may operate indirectly through compensation mechanisms. Conversely, Pehlivanoğlu (2023) reported that education level significantly affects job satisfaction, with higher education associated with lower satisfaction, suggesting a possible mismatch between expectations and job realities. Similarly, Kardam and Rangnekar (2012) found no significant differences in job satisfaction across different levels of education and experience, although certain dimensions varied. Ali et al. (2012) also reported that work experience does not significantly influence career satisfaction. These inconsistent findings suggest that the relationship between demographic factors and job satisfaction is complex and context-dependent, requiring further investigation.

2.4. Job Satisfaction and Employee Performance

The relationship between job satisfaction and employee performance has been widely studied and is generally supported by empirical evidence. Job satisfaction is considered a key determinant of employee performance, as satisfied employees are more motivated, engaged, and committed to their work. Djuli et al. (2023) found that job satisfaction has a positive and significant effect on employee performance, explaining a substantial proportion of performance variance. Similarly, Gazi et al. (2024) confirmed that employees with higher job satisfaction tend to exhibit better performance outcomes. Koesmono (2014) also reported a positive relationship between job satisfaction and job performance. In addition, Wahyudi (2018) demonstrated that job satisfaction has a stronger influence on performance than work experience, underscoring its central role in determining employee effectiveness. These findings are consistent across different sectors, suggesting that job satisfaction is a robust predictor of performance.

2.5. Mediating Role of Job Satisfaction

Recent studies emphasize the importance of mediating variables in explaining the relationship between individual and organizational factors and employee performance. Job satisfaction has been identified as a key mechanism mediating. For example, Anshori et al. (2020) found that job satisfaction mediates the relationship between transformational leadership and employee performance. Similarly, Subagyo et al. (2023) demonstrated that job satisfaction mediates the relationship between work experience and productivity. Other studies also highlight the role of mediators in organizational relationships. Mubarak et al. (2020) showed that work motivation mediates the relationship between organizational factors and performance, while Bayona et al. (2020) identified work engagement as a mediator between job characteristics and performance. These findings suggest that employee performance is often influenced by indirect pathways rather than direct relationships alone. However, few studies have examined job satisfaction as a simultaneous mediator of education level, work experience, and employee performance.

There are several important insights and gaps to identify. First, while education level and work experience are widely recognized as important determinants of employee performance, empirical findings remain inconsistent. Some studies report positive effects, while others find no effect or even negative relationships. This inconsistency indicates that the direct relationship between these variables and performance is not fully understood. Second, although job

satisfaction has been widely established as a significant predictor of employee performance, its role as a mediating variable in the relationship between education level, work experience, and performance has not been extensively explored. Existing studies tend to examine these relationships separately or focus on different mediating variables such as motivation or engagement. Third, most previous studies have been conducted in private-sector organizations or specific industries, with limited attention to public-sector institutions, particularly in procurement divisions, where job complexity and accountability are high. This context is important because the effectiveness of human resource factors may vary depending on organizational characteristics and job demands. Therefore, this study addresses these gaps by developing an integrative model that examines the effects of education level and work experience on employee performance, with job satisfaction as an intervening variable, in a public-sector context. This approach is expected to provide a more comprehensive understanding of the mechanisms underlying employee performance and contribute to the existing literature by clarifying inconsistent findings.

2.6. Proposed Hypotheses and Frameworks

On the basis of the theoretical foundations and empirical findings discussed in the preceding sections, this study develops a set of hypotheses to examine the relationships among education level, work experience, job satisfaction, and employee performance. These hypotheses are formulated to test both the direct effects of human capital variables on employee performance and their indirect effects through job satisfaction as a mediating variable.

H1: Education level has a positive and significant effect on employee performance.

H2: Work experience has a positive and significant effect on employee performance.

H3: Education level has a positive and significant effect on job satisfaction.

H4: Work experience has a positive and significant effect on job satisfaction.

H5: Job satisfaction has a positive and significant effect on employee performance.

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

H7: Job satisfaction mediates the relationship between work experience and employee performance.

The conceptual framework of this study is developed based on the proposed hypotheses and illustrates the relationships among education level, work experience, job satisfaction, and employee performance. Specifically, education level and work experience are posited to influence employee performance both directly and indirectly through job satisfaction as an intervening variable. The proposed research framework is presented in Figure 1.

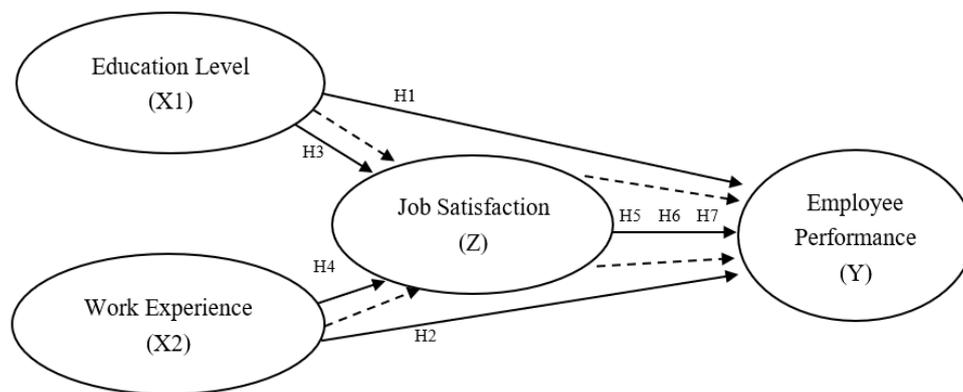


Figure 1. Research Framework

3. Materials and Methods

This study employed a quantitative research design to examine the causal relationships among education level, work experience, job satisfaction, and employee performance. The approach was explanatory, seeking to test hypotheses derived from established theoretical frameworks, particularly Human Capital Theory and Experiential Learning Theory. The study employed a cross-sectional design, collecting data at a single point in time to capture employees' perceptions of the variables under investigation. This design is appropriate for identifying relationships between variables and testing mediation effects within an organizational setting. The study population consisted of all employees of the Goods and Services Procurement Division of the Bojonegoro Regency Secretariat, totaling 142 individuals. Given the relatively small and accessible population, a saturated sampling technique (census method) was used, in which all members of the population were included as research respondents. This approach ensures full

population representation and eliminates sampling bias, thereby enhancing the internal validity and reliability of the findings within the specific institutional context.

Primary data were collected using a structured questionnaire distributed directly to all respondents. The questionnaire was developed from previously validated measurement scales and adapted to the context of public-sector procurement activities. The instrument was designed to capture four main constructs: education level, work experience, job satisfaction, and employee performance. Responses were measured on a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree), enabling standardized data collection and facilitating statistical analysis. Prior to data collection, the questionnaire was carefully reviewed to ensure the items were clear, relevant, and comprehensible. In this study, education level was operationalized as an indicator of employees' formal academic attainment, while work experience was measured based on the duration and relevance of employees' professional experience. Job satisfaction was defined as employees' overall affective evaluation of their jobs, and employee performance was assessed in terms of perceived effectiveness, productivity, and task accomplishment. All variables were treated as latent constructs and measured reflectively using multiple indicators to ensure adequate representation of each concept.

The data analysis was conducted using Structural Equation Modeling (SEM) based on the Partial Least Squares (PLS) approach in SmartPLS 4. The PLS-SEM technique was selected for its suitability for analyzing complex models involving multiple variables and mediating relationships, as well as for its robustness in handling relatively small sample sizes and non-normal data distributions. The analysis proceeded in two main stages. First, the measurement model (outer model) was evaluated to assess the reliability and validity of the constructs. This included examining indicator reliability through outer loadings, internal consistency reliability using Cronbach's alpha, and composite reliability, convergent validity using the average variance extracted (AVE), and discriminant validity using the Fornell-Larcker criterion. Second, the structural model (inner model) was assessed to evaluate the hypothesized relationships among variables. This involved analyzing path coefficients and their statistical significance via bootstrapping, as well as evaluating the coefficient of determination (R^2) and the effect size (f^2). Mediation analysis was also conducted to determine the indirect effect of job satisfaction on the relationship between education level, work experience, and employee performance.

4. Results

4.1. Assessment of Measurement Model

4.1.1. Construct Validity and Reliability Analysis

Table 1 presents the results of the measurement model evaluation, including indicator reliability (outer loadings), internal consistency reliability (Cronbach's alpha and composite reliability), and convergent validity (average variance extracted/AVE). The results are essential to ensure that the constructs are measured accurately and consistently.

Table 1. Results of Construct Validity and Reliability

Variable(s)	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability (CR)	AVE
Education Level (X1)	X1.1	0.870	0.812	0.941	0.696
	X1.2	0.763			
	X1.3	0.925			
	X1.4	0.915			
	X1.5	0.669			
	X1.6	0.818			
	X1.7	0.851			
Work Experience (X2)	X2.1	0.785	0.741	0.855	0.543
	X2.2	0.644			
	X2.3	0.779			
	X2.4	0.713			
	X2.5	0.755			
Job Satisfaction (Z)	Z1	0.818	0.732	0.921	0.627
	Z2	0.788			
	Z3	0.843			
	Z4	0.855			
	Z5	0.801			
	Z6	0.740			
	Z7	0.686			

Variable(s)	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability (CR)	AVE
Employee Performance (Y)	Y1	0.756	0.707	0.913	0.606
	Y2	0.811			
	Y3	0.844			
	Y4	0.843			
	Y5	0.629			
	Y6	0.946			
	Y7	0.545			

Table 1 indicates that all constructs demonstrate acceptable levels of reliability and validity. For education level (X1), the outer loading values range from 0.669 to 0.925. Most indicators exceed the recommended threshold of 0.70, indicating strong indicator reliability, while one indicator (X1.5 = 0.669) falls within the acceptable range (0.50–0.69) and is retained. The Cronbach's alpha value of 0.812 and composite reliability of 0.941 indicate high internal consistency. Furthermore, the AVE of 0.696 exceeds the minimum threshold of 0.50, confirming adequate convergent validity. These results suggest that the education level construct is measured reliably and validly. For work experience (X2), the outer loading values range from 0.644 to 0.785. Although one indicator (X2.2 = 0.644) is slightly below the preferred threshold of 0.70, it remains acceptable and contributes to the construct. The Cronbach's alpha value of 0.741 and composite reliability of 0.855 indicate satisfactory internal consistency. The AVE of 0.543 exceeds the recommended threshold of 0.50, indicating that the construct explains more than half of the variance in its indicators. Therefore, the work experience construct meets the criteria for reliability and convergent validity. The job satisfaction (Z) construct demonstrates strong measurement properties, with factor loadings ranging from 0.686 to 0.855.

All indicators are above the acceptable threshold, indicating good indicator reliability. The Cronbach's alpha value of 0.732 and composite reliability of 0.921 confirm strong internal consistency. Additionally, the AVE value of 0.627 indicates adequate convergent validity. These findings demonstrate that the job satisfaction construct is both reliable and valid. Similarly, the employee performance (Y) construct exhibits satisfactory results. The outer loading values range from 0.545 to 0.946, with most indicators exceeding 0.70. Although two indicators (Y5 = 0.629 and Y7 = 0.545) fall within the acceptable range, they are retained as they do not substantially reduce the overall validity of the construct. Cronbach's alpha value of 0.707 and composite reliability of 0.913 indicate a high internal consistency. The AVE value of 0.606 exceeds the recommended threshold, confirming convergent validity. Thus, all constructs meet the recommended criteria for reliability and validity, with Cronbach's alphas and composite reliabilities above 0.70 and AVEs exceeding 0.50. Therefore, the measurement model is considered adequate and suitable for further analysis of the structural model.

4.1.2. Discriminant Validity

Table 2 presents the results of the discriminant validity assessment using the Fornell–Larcker criterion. This method evaluates whether each construct is empirically distinct from the others by comparing the square root of each construct's average variance extracted (AVE) with the correlations among constructs. According to the Fornell–Larcker criterion, a construct is considered to have adequate discriminant validity if the square root of its AVE (diagonal values) is greater than its correlations with other constructs (off-diagonal values).

Table 2. Result of Discriminant Validity using Fornell–Larcker Criterion

Variable(s)	X1	X2	Z	Y
Education Level (X1)	0.834	0.450	0.666	0.160
Work Experience (X2)	0.450	0.737	0.554	0.131
Job Satisfaction (Z)	0.666	0.554	0.792	0.739
Employee Performance (Y)	0.160	0.131	0.739	0.778

The results in Table 2 indicate that all constructs meet the required criteria for discriminant validity. For the education level (X1) construct, the square root of its AVE (0.834) is higher than its correlations with work experience (0.450), job satisfaction (0.666), and employee performance (0.160). This demonstrates that the education level construct is empirically distinct and shares more variance with its indicators than with other constructs. Similarly, the work experience (X2) construct shows an AVE of 0.737, which exceeds its correlation with education level (0.450), job satisfaction (0.554), and employee performance (0.131). This confirms that the work experience construct is sufficiently distinct from other variables in the model. For the job satisfaction (Z) construct, the square root of the AVE is 0.792, which is greater than its correlations with education level (0.666) and work experience (0.554), and is slightly higher

than its correlation with employee performance (0.739). Although the correlation between job satisfaction and employee performance is relatively high, it remains below the square root of AVE, indicating that discriminant validity is still achieved.

The employee performance (Y) construct also satisfies the Fornell–Larcker criterion, with an AVE of 0.778, which is higher than its correlations with education level (0.160) and work experience (0.131), and slightly above its correlation with job satisfaction (0.739). This suggests that the employee performance construct is distinct, though closely related to job satisfaction. Thus, the results demonstrate that all constructs exhibit adequate discriminant validity, as each construct shares more variance with its own indicators than with other constructs in the model. Therefore, the measurement model satisfies the discriminant validity requirement, and the constructs can be considered empirically distinct and suitable for further structural model analysis.

4.2. Assessment of Structural Model

4.2.1. Coefficient of Determination (R^2), Adjusted R^2 , and Effect Size

Table 3 presents the results for the coefficients of determination (R^2) and adjusted R^2 , and the effect size (f^2) for the endogenous variables in the model, namely job satisfaction (Z) and employee performance (Y). These metrics are used to evaluate the explanatory power and predictive relevance of the structural model.

Table 3. Result of Coefficient of Determination (R^2), Adjusted R^2 , and Effect Size (f^2)

Variable(s)	R^2 Value	Adjusted R^2	Effect Size (f^2)	Interpretation
Job Satisfaction (Z)	0.720	0.716	0.765	Large
Employee Performance (Y)	0.600	0.592		Large

The results in Table 3 show that job satisfaction (Z) has an R^2 value of 0.720, indicating that 72% of the variance in job satisfaction is explained by education level and work experience. This value is substantial, suggesting that the independent variables have strong explanatory power for predicting job satisfaction. The adjusted R^2 of 0.716 further confirms the model's robustness, indicating that the explanatory power remains stable even after adjusting for the number of predictors. In addition, the effect size (f^2) value of 0.765 indicates a large effect, demonstrating that the combined influence of education level and work experience has a strong impact on job satisfaction. For employee performance (Y), the R^2 value is 0.600, indicating that 60% of the variance in performance is explained by education level, work experience, and job satisfaction. This value can be interpreted as moderate to substantial, indicating that the model has good explanatory capability. The adjusted R^2 value of 0.592 shows only a slight decrease, suggesting that the model remains stable and reliable. Although the individual f^2 values are not explicitly reported, the overall interpretation indicates a large effect size, reflecting the strong contribution of predictors, particularly job satisfaction, to explaining employee performance. The results demonstrate that the proposed model has strong predictive power, especially in explaining job satisfaction, and adequate explanatory capability for employee performance. The large effect sizes further indicate that the independent variables play a significant role in influencing the endogenous constructs. Therefore, the structural model is considered robust and suitable for hypothesis testing and further analysis.

4.3. Hypothesis Testing

4.3.1. Direct Effect Analysis

Table 4 presents the results of hypothesis testing for direct relationships among education level, work experience, job satisfaction, and employee performance using the bootstrapping procedure in PLS-SEM. Hypothesis evaluation is based on the significance of path coefficients: a relationship is considered significant if the t-statistic exceeds 1.96 and the p-value is less than 5 percent.

Table 4. Results of Hypothesis Testing for Direct Effect

Path Analysis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
X1 -> Y	0.160	0.160	0.124	1.292	0.197
X1 -> Z	0.666	0.671	0.066	10.059	0.000
X2 -> Y	0.131	0.144	0.105	1.243	0.214
X2 -> Z	0.554	0.550	0.081	6.863	0.000
Z -> Y	0.739	0.734	0.146	5.050	0.000

Table 4 shows that the direct effect of education level (X1) on employee performance (Y) is not statistically significant, with a path coefficient of 0.160, t-statistic of 1.292, and p-value of 0.197. Since the t-statistic is below the 1.96 threshold and the p-value exceeds 0.05, this finding suggests that education level does not have a direct effect on employee performance. Therefore, the corresponding hypothesis is not supported. In contrast, the effect of education level (X1) on job satisfaction (Z) is positive and statistically significant, with a path coefficient of 0.666, t-statistic of 10.059, and p-value of 0.000. This indicates that higher levels of education significantly enhance job satisfaction. Thus, this hypothesis is supported. Similarly, the direct effect of work experience (X2) on employee performance (Y) is not significant, as indicated by a path coefficient of 0.131, t-statistic of 1.243, and p-value of 0.214. These values do not meet the required significance criteria, suggesting that work experience does not directly influence employee performance. Therefore, this hypothesis is not supported. However, the relationship between work experience (X2) and job satisfaction (Z) is positive and statistically significant, with a path coefficient of 0.554, a t-statistic of 6.863, and a p-value of 0.000. This result indicates that employees with greater work experience tend to have higher job satisfaction. Hence, this hypothesis is supported. Furthermore, the direct effect of job satisfaction (Z) on employee performance (Y) is positive and statistically significant, with a path coefficient of 0.739, t-statistic of 5.050, and p-value of 0.000. This finding suggests that job satisfaction plays a crucial role in enhancing employee performance. Accordingly, this hypothesis is supported.

4.3.2. Mediation Analysis

The mediation analysis examined the indirect effects of education level and work experience on employee performance via job satisfaction. The significance of the indirect effects was assessed using the bootstrapping procedure, with a significance threshold of t-statistic > 1.96 and p-value < 5 percent.

Table 5. Results of Hypothesis Testing for Indirect Effect (Mediation)

Path Analysis	Indirect Effect (β)	T-Statistic	P-Value	Decision
X1 \rightarrow Z \rightarrow Y	0.492	4.563	0.000	Supported
X2 \rightarrow Z \rightarrow Y	0.409	3.982	0.000	Supported

Table 5 shows that the indirect effect of education level (X1) on employee performance (Y) through job satisfaction (Z) is positive and statistically significant, with an indirect coefficient of 0.492 and a p-value of 0.000. This finding indicates that higher levels of education enhance job satisfaction, which, in turn, improves employee performance. Since the direct effect of education level on employee performance is not significant, this suggests full mediation. Therefore, job satisfaction fully mediates the relationship between education level and employee performance. Similarly, the indirect effect of work experience (X2) on employee performance (Y) through job satisfaction (Z) is also positive and statistically significant, with an indirect coefficient of 0.409 and a p-value of 0.000. This result indicates that work experience contributes to higher job satisfaction, which in turn leads to improved employee performance. Given that the direct effect of work experience on employee performance is not significant, this relationship also demonstrates full mediation. The study's findings confirm that job satisfaction plays a crucial mediating role in the relationships between education level, work experience, and employee performance. This implies that the influence of education and work experience on performance operates primarily through enhancing employees' psychological and emotional attachment to their work, rather than through direct effects.

5. Discussion

The findings of this study provide important insights into the relationships among education level, work experience, job satisfaction, and employee performance, particularly within the public sector context. Overall, the results indicate that education level and work experience do not have a direct, significant effect on employee performance; however, both variables significantly influence job satisfaction, which, in turn, has a strong, significant impact on employee performance. These findings highlight the critical role of job satisfaction as a mediating mechanism. First, the results reveal that education levels do not have a significant direct effect on employee performance. This finding contrasts with several previous studies that reported a positive relationship between education and performance (Wulandari, 2017; Ningsih & Afriaris, 2021; Ekutama et al., 2022). However, it is consistent with the findings of Putri and Firdaus (2022), who observed that education level may not always translate into improved performance and may even produce negative effects in certain organizational contexts. One possible explanation is that higher education may increase employees' expectations regarding job roles, career advancement, and rewards, which, if unmet, may reduce the direct impact on performance. Furthermore, the nature of public sector work, particularly in procurement divisions, may rely more on procedural knowledge and experience than on formal education alone.

Second, the study finds that education level has a positive and significant effect on job satisfaction. This result aligns with prior studies demonstrating that education enhances employees' capabilities and confidence, thereby improving their satisfaction with their roles (Muntazeri & Indrayanto, 2018; Novialumi & Winata, 2025). However, it is important to note that other studies have reported mixed results, where higher education is associated with lower satisfaction due to unmet expectations (Pehlivanoğlu, 2023; Đukić et al., 2018). Therefore, the positive relationship found in this study suggests that, in this specific context, educational attainment is effectively aligned with job demands and organizational support, leading to higher satisfaction. Third, the findings indicate that work experience does not have a significant direct effect on employee performance. This result is consistent with Ningsih and Afriaris (2021), as well as Kardam and Rangnekar (2012) and Ali et al. (2012), who found that experience does not always lead to improved performance or satisfaction. However, it contradicts studies that report a positive effect of work experience on performance (Ratnawati et al., 2020; Wahyudi, 2018; Subagyo et al., 2023). This inconsistency suggests that the effect of work experience may depend on contextual factors such as job relevance, organizational environment, and opportunities for skill utilization. In the public procurement context, experience alone may not guarantee improved performance unless it is supported by motivation and satisfaction.

Fourth, the results show that work experience has a positive and significant effect on job satisfaction, which is consistent with previous research (Muntazeri & Indrayanto, 2018; Weerasinghe et al., 2023). Employees with longer work experience are likely to have a better understanding of their roles, stronger social relationships within the organization, and greater job stability, all of which contribute to higher levels of satisfaction. This finding reinforces the importance of experiential learning in shaping positive employee attitudes. Fifth, the study confirms that job satisfaction has a strong and significant effect on employee performance, supporting a large body of literature (Djuli et al., 2023; Gazi et al., 2024; Koesmono, 2014; Wahyudi, 2018). This result highlights that satisfied employees are more motivated, committed, and productive, leading to improved performance outcomes. The strength of this relationship in the current study further emphasizes the central role of job satisfaction as a key determinant of employee effectiveness.

Most importantly, the mediation analysis reveals that job satisfaction fully mediates the relationship between education level and employee performance, as well as between work experience and employee performance. This finding is consistent with studies that highlight the importance of mediating mechanisms in organizational research (Anshori et al., 2020; Subagyo et al., 2023; Mubarak et al., 2020; Bayona et al., 2020). It also aligns with Muntazeri and Indrayanto (2018), who found that job satisfaction plays a critical role in linking individual characteristics to performance outcomes. The results suggest that education and experience influence performance indirectly by enhancing employees' psychological and emotional attachment to their work.

6. Conclusions

This study aims to examine the effects of education level and work experience on employee performance, with job satisfaction as an intervening variable in the Goods and Services Procurement Division of the Bojonegoro Regency Secretariat, Indonesia. The findings reveal that education level and work experience do not have a direct significant effect on employee performance. However, both variables significantly influence job satisfaction, which in turn has a strong and significant effect on employee performance. Furthermore, the mediation analysis confirms that job satisfaction fully mediates the relationship between education level and employee performance, as well as between work experience and employee performance. These findings suggest that improving employee performance in the public sector cannot rely solely on enhancing formal education or accumulating work experience. Instead, organizations must focus on fostering job satisfaction as a key mechanism through which human capital factors can translate into improved performance. In this context, job satisfaction emerges as a critical psychological factor that strengthens employees' motivation, engagement, and commitment to their work.

6.1. Research Implications

6.1.1. Theoretical Implications

This study contributes to existing literature by extending Human Capital Theory and Experiential Learning Theory by integrating job satisfaction as a mediating variable. The results demonstrate that the relationship between education level, work experience, and employee performance is not purely direct, but operates through attitudinal mechanisms. This finding helps to explain inconsistencies in previous studies regarding the direct effects of education and experience on performance, highlighting the importance of incorporating psychological variables into performance models.

6.1.2. Practical and Policy Implications

From a practical perspective, the findings provide important implications for public sector management, particularly in government procurement units. First, policymakers and organizational leaders should not only emphasize educational qualifications and work experience in recruitment and promotion decisions but also focus on strategies that enhance

job satisfaction. These may include improving working conditions, providing fair compensation, ensuring career development opportunities, and fostering a supportive organizational environment. Second, organizations should design human resource policies that align employees' competencies with job roles to avoid mismatches that may reduce satisfaction. Training programs, mentoring systems, and continuous professional development should be implemented to ensure that both education and experience are effectively leveraged to enhance employee satisfaction and performance. Third, given the critical role of job satisfaction, management should regularly assess employee satisfaction levels and address factors that may hinder employees' well-being and motivation. By doing so, organizations can create a more productive and committed workforce, ultimately improving public service delivery.

6.2. Research Limitations

Despite its contributions, this study has several limitations. First, the study uses a cross-sectional design, which limits the ability to establish causal relationships over time. Future research could adopt longitudinal approaches to better capture dynamic relationships among variables. Second, the study focuses on a single public-sector institution, which may limit the generalizability of its findings to other contexts or industries. Third, the study examines job satisfaction as the sole mediating variable, whereas other potential mediators, such as work motivation, organizational commitment, or engagement, were not included.

6.3. Suggestions for Future Research

Future studies are encouraged to expand the model by incorporating additional variables, such as organizational culture, leadership style, and work motivation, to provide a more comprehensive understanding of employee performance. Researchers may also consider comparative studies across different sectors or regions to enhance the generalizability of findings. Additionally, the use of mixed-methods approaches could provide deeper insights into the mechanisms underlying employee satisfaction and performance.

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