

Financial Compensation, Talent Management, and Transformational Leadership as Determinants of Civil Servant Performance: The Mediating Role of Job Satisfaction in the Bogor Regency Government

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Abstract

This study examines the effects of financial compensation, talent management, and transformational leadership on civil servant (ASN) performance, with job satisfaction as a mediating variable in the Bogor Regency Government. Using a quantitative approach and Partial Least Squares Structural Equation Modeling (PLS-SEM), data were collected from 400 ASN respondents selected through simple random sampling from a population of 25,765 ASN. The results show that financial compensation and talent management have no significant direct effects on ASN performance, while transformational leadership has a positive and significant direct effect. All three factors significantly improve job satisfaction, with transformational leadership having the strongest effect. Job satisfaction positively affects ASN performance and fully mediates the effects of financial compensation and talent management, while partially mediating the effect of transformational leadership. The findings highlight job satisfaction as a central mechanism linking HR practices to ASN performance and contribute to public-sector HRM literature by integrating these factors within a single model.

Keywords: *Financial Compensation, Talent Management, Transformational Leadership, Job Satisfaction, Civil Servant Performance, Public Sector.*

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A. INTRODUCTION

Public sector organizations are increasingly required to improve organizational effectiveness, accountability, transparency, and service quality. Within this context, human resources represent a critical determinant of organizational performance because the achievement of public-sector objectives ultimately depends on the capability, commitment, and performance of public employees. In Indonesia, Civil Servants (*Aparatur Sipil Negara*/ASN) play a strategic role as policy implementers and public service providers. Accordingly, ASN are expected to perform their responsibilities based on professionalism, integrity, political neutrality, and merit-based human resource management (Ministry of Administrative and Bureaucratic Reform, 2021). The performance of ASN is therefore not merely an internal organizational issue but also an important determinant of the quality and effectiveness of public governance.

Employee performance is particularly important in public organizations because high-performing civil servants can contribute to greater organizational efficiency, effectiveness, and public satisfaction, whereas poor performance may

undermine public trust and hinder the implementation of strategic government programs (Hasibuan, 2019; Robbins, 2016; Utami & Raharjo, 2022). In response to these challenges, the Indonesian government has implemented several performance-oriented reforms, including performance-based management, talent management, merit-based human resource systems, digitalization of public services, and the Government Agency Performance Accountability System (*Sistem Akuntabilitas Kinerja Instansi Pemerintah/SAKIP*) (Aini et al., 2025). These initiatives reflect the government's commitment to developing a professional, effective, efficient, transparent, and results-oriented bureaucracy.

However, the implementation of formal performance management systems does not necessarily guarantee improvements in employee performance or public service outcomes. At the local government level, this issue is particularly significant because local government employees interact directly with citizens and are responsible for implementing government programs and delivering public services. The Bogor Regency Government represents a relevant empirical setting in this regard. The local government has implemented various initiatives to strengthen ASN performance, including merit-based management, employee competency development, digitalization of personnel administration, and performance evaluation based on organizational and individual targets.

The performance accountability of the Bogor Regency Government is formally evaluated through SAKIP, which incorporates performance agreements, key performance indicators, strategic objectives, and the evaluation of organizational and individual performance. The evaluation is intended to assess the extent to which SAKIP implementation contributes to targeted and results-oriented government performance. Nevertheless, the available evidence indicates that improvements in accountability have remained relatively modest.

Table 1. Performance Accountability Evaluation of the Bogor Regency Government, 2023–2025

No.	Assessed Component	Weight (%)	2023	2024	2025
1	Performance Planning	30	23.75	23.81	23.91
2	Performance Measurement	30	15.91	15.83	15.91
3	Performance Reporting	15	11.73	11.84	11.90
4	Internal Performance Accountability Evaluation	25	17.67	17.90	18.22
Total Performance Accountability Level		100	69.06	69.38	69.94

Source: Performance Accountability Evaluation Report (LHE AKIP), Bogor Regency Government, Ministry of Administrative and Bureaucratic Reform (2023–2025).

As shown in Table 1, the performance accountability score of the Bogor Regency Government increased from 69.06 in 2023 to 69.38 in 2024 and 69.94 in 2025. Although this trend indicates a gradual improvement, the overall score remains within the “B” category, which indicates that performance accountability implementation is considered good but still requires improvements in performance

management and organizational commitment. Thus, the increase in institutional performance accountability does not necessarily indicate that all dimensions of employee and public service performance have reached the expected level. This concern becomes more apparent when public service outcomes are considered. Public satisfaction represents an important external indicator of government service quality because it captures citizens' perceptions of service procedures, timeliness, employee competence, service behavior, complaint handling, and supporting facilities. Therefore, the Community Satisfaction Index (*Indeks Kepuasan Masyarakat – IKM*) provides an important complementary indicator for evaluating public service performance.

Table 2. Community Satisfaction Index of the Bogor Regency Government

Year	Indicator	Target	Actual	Achievement
2023	Community Satisfaction Index of Regional Government Agencies	87.50	82.16	Target not achieved
2024	Community Satisfaction Index of Regional Government Agencies	90.00	81.89	Target not achieved

Source: Regional Medium-Term Development Plan (RPJMD) 2025–2029, Bogor Regency Legal Documentation and Information Network (JDIH).

The results presented in Table 2 demonstrate that public satisfaction remained below the government's target in both 2023 and 2024. In 2023, the target of 87.50 points was not achieved, with an actual score of 82.16. The gap became larger in 2024, when the target increased to 90.00 points while the actual score declined to 81.89. Hence, despite the improvement in institutional performance accountability, public service satisfaction did not demonstrate a corresponding improvement. This discrepancy indicates that formal improvements in organizational accountability may not be sufficient to produce better public service outcomes and highlights the importance of examining the human resource factors underlying employee performance. From a human resource management perspective, employee performance is influenced by both organizational practices and employees' internal work experiences. Financial compensation, talent management, and transformational leadership are among the organizational factors that may shape employee attitudes and performance. However, existing empirical findings concerning these relationships remain inconsistent, suggesting that the mechanisms linking organizational practices to employee performance require further investigation.

Table 3. Summary of Previous Research and Research Gaps

No.	Relationship	Previous Study	Main Finding
1	Financial Compensation → Employee Performance	Hapsari & Paminto (2022)	Financial compensation has a positive and significant effect on employee performance.
2	Financial Compensation → Employee Performance	Fredriksz (2018)	Financial compensation has a positive and significant effect on employee performance, both partially and simultaneously.
3	Financial Compensation → Employee Performance	Dwi Puspitasari et	Financial compensation has a significant negative effect on employee performance.

		al. (2022)	
4	Financial Compensation → Employee Performance	Rizal & Handayani (2021)	Financial compensation has a negative and insignificant effect on employee performance.
5	Talent Management → Employee Performance	Sudarijati & Setiawan (2019)	Talent management has a positive and significant effect on employee performance.
6	Talent Management → Employee Performance	Surya et al. (2024)	Talent management has a positive and significant effect on employee performance.
7	Talent Management → Employee Performance	Ivana & Marzuki (2023)	Talent management has a negative and insignificant effect on employee performance.
8	Talent Management → Employee Performance	Yolanda & Santoso (2025)	Talent management has a positive but insignificant effect on employee performance.
9	Transformational Leadership → Employee Performance	Mendrofa et al. (2024)	Transformational leadership has a positive and significant effect on employee performance.
10	Transformational Leadership → Employee Performance	Moring et al. (2021)	Transformational leadership has a positive and significant effect on employee performance.
11	Transformational Leadership → Employee Performance	Harini et al. (2018)	Transformational leadership has a negative and insignificant effect on employee performance.
12	Transformational Leadership → Employee Performance	Novitasari & Asbari (2020)	Transformational leadership has no significant effect on employee performance.

Source: Compiled by the authors based on previous studies identified through Google Scholar (2026).

As summarized in Table 3, previous studies provide inconsistent evidence regarding the relationships between financial compensation, talent management, transformational leadership, and employee performance. Regarding financial compensation, some studies demonstrate positive and significant effects (Hapsari & Paminto, 2022; Fredriksz, 2018), whereas others report negative or insignificant relationships (Dwi Puspitasari et al., 2022; Rizal & Handayani, 2021). Similar inconsistencies are found in studies of talent management. Although several studies report positive and significant relationships with employee performance (Sudarijati & Setiawan, 2019; Surya et al., 2024), other studies find insignificant or even negative relationships (Ivana & Marzuki, 2023; Yolanda & Santoso, 2025). The evidence concerning transformational leadership is similarly inconclusive. Transformational leadership has been found to positively and significantly influence employee performance (Mendrofa et al., 2024; Moring et al., 2021), while other studies report negative or nonsignificant effects (Harini et al., 2018; Novitasari & Asbari, 2020). These contradictory findings indicate that the relationship between organizational human resource practices and employee performance may be more complex than a simple direct-effect relationship.

One possible explanation for these inconsistencies is that organizational practices may influence employee performance through employees' psychological and attitudinal responses. In this regard, job satisfaction may represent an important

mediating mechanism. Job satisfaction reflects the extent to which employees perceive that their work meets their expectations, needs, values, and desired work conditions. Employees who perceive their compensation as fair, recognize meaningful opportunities for career development, and experience supportive and inspiring leadership may develop more positive attitudes toward their work, which can subsequently translate into stronger performance.

Financial compensation, for example, may not automatically increase performance when employees perceive compensation as inequitable, inadequate, or inconsistent with their responsibilities. Likewise, talent management may contribute to employee performance when it is translated into meaningful competency development, appropriate placement, career opportunities, and the effective utilization of employee potential. Transformational leadership may also influence employees' work experiences through inspiration, individualized consideration, communication, role modeling, and opportunities for innovation. These mechanisms suggest that job satisfaction may explain how and why organizational practices are translated into employee performance. This mediating perspective is particularly relevant in the public sector because civil servants operate within institutional environments characterized by formal rules, hierarchical structures, public accountability, and diverse service demands. Similar human resource policies may therefore produce different outcomes depending on how employees perceive and experience those policies. In the Bogor Regency Government, ASN work across different government agencies with varying workloads, service responsibilities, organizational targets, and professional demands. Consequently, understanding employees' satisfaction with their work may provide an important explanation for differences in performance.

The present study therefore addresses three interconnected research gaps. First, existing empirical evidence regarding the direct effects of financial compensation, talent management, and transformational leadership on employee performance remains inconsistent. Second, previous studies have predominantly examined these relationships in private-sector organizations and educational institutions, while evidence from local government and civil servant contexts remains comparatively limited. Third, relatively limited attention has been given to job satisfaction as a mediating mechanism linking multiple human resource practices to civil servant performance within a local-government setting. These gaps provide a basis for integrating the three organizational factors into a single analytical model with job satisfaction positioned as a mediating variable. Accordingly, this study examines the effects of financial compensation, talent management, and transformational leadership on civil servant performance, while investigating the mediating role of job satisfaction in the relationships. The study focuses on civil servants within the Bogor Regency Government, where institutional performance accountability has improved but public service satisfaction remains below established targets. This setting provides an opportunity to examine whether

improvements in human resource management practices can contribute to employee performance through employees' satisfaction with their work.

By integrating organizational human resource practices with an employee-level psychological mechanism, this study seeks to contribute to the public-sector human resource management literature in two ways. First, it provides empirical evidence regarding the inconsistent relationships between financial compensation, talent management, transformational leadership, and employee performance in a local-government context. Second, it positions job satisfaction as a potential mechanism through which organizational practices are translated into civil servant performance. Practically, the findings are expected to provide evidence for local governments in designing human resource policies that do not merely emphasize formal performance targets but also address employees' work experiences and satisfaction. Therefore, this study aims to answer the following overarching research question: How do financial compensation, talent management, and transformational leadership influence civil servant performance, and to what extent does job satisfaction mediate these relationships in the Bogor Regency Government?

B. LITERATURE REVIEW

1. Financial Compensation and Employee Performance

Financial compensation represents the economic rewards provided by organizations in exchange for employees' contributions, including salaries, incentives, allowances, and other financial benefits (Griffin, 2004; Ferdy et al., 2021; Aswaruddin, 2023). Beyond its monetary value, compensation can influence employees' perceptions of fairness, recognition, and the extent to which organizational contributions are appropriately rewarded (Abidin, 2024). These perceptions may affect employees' motivation and willingness to exert effort, thereby contributing to performance.

Empirical evidence, however, remains inconsistent. Hapsari and Paminto (2022) and Fredriksz (2018) found positive and significant effects of financial compensation on employee performance, whereas Dwi Puspitasari et al. (2022) reported a significant negative effect and Rizal and Handayani (2021) found an insignificant relationship. This inconsistency suggests that compensation may not automatically translate into higher performance and that employees' psychological evaluations of compensation may play an important role.

H₁: Financial compensation has a positive effect on civil servant performance.

2. Financial Compensation and Job Satisfaction

Job satisfaction reflects employees' positive evaluation of their work experiences. Locke (1976) defines it as a pleasurable emotional state resulting from the appraisal of one's job or work experiences (Said, 2020). Compensation is an important component of this evaluation because employees assess whether their rewards are adequate, fair, and consistent with their responsibilities. This is consistent with the view that job satisfaction is influenced by need fulfillment,

discrepancies between expectations and outcomes, value attainment, and perceived equity (Kreitner & Kinicki, 2001; Wibowo, 2003).

Empirically, Satriawan and Ardana (2019) found that financial compensation positively affects job satisfaction, while Dewi et al. (2021) and Kurniawan et al. (2018) showed that compensation contributes to job satisfaction and subsequently employee performance. Hidayat (2022) similarly demonstrated the relevance of compensation and job satisfaction in explaining ASN performance.

H₂: Financial compensation has a positive effect on job satisfaction.

3. Talent Management and Employee Performance

Talent management refers to integrated practices for identifying, developing, deploying, and retaining employees whose capabilities are strategically important to organizational objectives (Armstrong, 2006; Fauzian, 2022; Linawati et al., 2024). In the public sector, talent management is particularly relevant because it supports merit-based placement, competency development, career progression, and succession planning. By aligning employee capabilities with organizational requirements, talent management can strengthen both individual contribution and organizational performance.

Sudarijati and Setiawan (2019), Surya et al. (2024), Pratiwi et al. (2022), and Lestari (2021) reported positive relationships between talent management and employee or ASN performance. Nevertheless, Ivana and Marzuki (2023) and Yolanda and Santoso (2025) reported insignificant relationships, indicating that talent-management practices do not necessarily produce performance improvements when employees do not perceive them as meaningful or fairly implemented.

H₃: Talent management has a positive effect on civil servant performance.

4. Talent Management and Job Satisfaction

Talent management can influence job satisfaction by providing employees with opportunities for development, career advancement, appropriate placement, and recognition. These practices correspond with important facets of job satisfaction, particularly recognition, responsibility, and growth opportunities (Locke, 1976; Said, 2020).

Empirical evidence supports this relationship. Hakim (2026) found that talent management contributes to job satisfaction and performance, while Hidayat (2022) demonstrated that talent management contributes to ASN performance through job satisfaction. Pratiwi et al. (2022) further highlighted the importance of competency development, career pathways, and competency-based placement.

H₄: Talent management has a positive effect on job satisfaction.

5. Transformational Leadership and Employee Performance

Transformational leadership emphasizes inspirational motivation, idealized influence, intellectual stimulation, and individualized consideration (Burns, 1978; Bass & Riggio, 2006). Such leadership can influence employee performance by

strengthening motivation, communicating organizational purpose, encouraging innovation, and providing individualized support.

Previous studies generally support this relationship, with Mendrofa et al. (2024) and Moring et al. (2021) reporting positive effects of transformational leadership on performance. However, Harini et al. (2018) found a negative and insignificant relationship, while Novitasari and Asbari (2020) found no significant effect. These inconsistencies suggest that leadership may influence performance partly through employees' psychological experiences rather than through direct behavioral influence alone.

H5: Transformational leadership has a positive effect on civil servant performance.

6. Transformational Leadership and Job Satisfaction

Transformational leadership can shape job satisfaction by influencing employees' experiences of recognition, support, meaningfulness, responsibility, and development. These dimensions correspond with the job facets proposed by Locke (1976), including recognition, responsibility, advancement, social relationships, and the work itself (Said, 2020). Empirical evidence supports this mechanism.

Satriawan and Ardana (2019) found a positive relationship between transformational leadership and job satisfaction, while Wijaya and Supartha (2020) demonstrated that transformational leadership increases job satisfaction among ASN through inspiration, vision communication, and supervisory support. Rahman and Nugroho (2019) and Putri and Amelia (2025) further linked transformational leadership to performance through employee psychological mechanisms.

H6: Transformational leadership has a positive effect on job satisfaction.

7. Job Satisfaction and Employee Performance

Job satisfaction represents employees' overall evaluation of their work and may influence their motivation, attitudes, and willingness to contribute to organizational objectives. In this sense, satisfaction provides a potential psychological mechanism linking organizational HR practices with performance. Previous studies provide support for this relationship.

Suryosukmono (2020) found that transformational leadership improves ASN performance through job satisfaction and motivation, while Azizah (2025) reported that job satisfaction contributes positively to employee performance. Kurniawan et al. (2018) and Yuliana et al. (2020) similarly demonstrated the relevance of job satisfaction in explaining employee performance.

H7: Job satisfaction has a positive effect on civil servant performance.

8. Job Satisfaction as a Mediating Mechanism

The preceding literature indicates that financial compensation, talent management, and transformational leadership may affect performance both directly and indirectly through job satisfaction. Compensation can generate positive evaluations when employees perceive rewards as fair; talent management can

enhance satisfaction through development and career opportunities; and transformational leadership can create positive work experiences through support, recognition, and meaningful leadership. Empirical evidence supports these indirect relationships. Dewi et al. (2021) found that compensation improves job satisfaction and subsequently contributes to performance, while Yuliana et al. (2020) identified job satisfaction as a mediator between compensation and performance. Hidayat (2022) demonstrated the mediating role of job satisfaction in the relationship between compensation, talent management, and ASN performance. Putri and Amelia (2025) similarly found that transformational leadership improves performance through job satisfaction.

Nevertheless, previous studies tend to examine these relationships separately. Some focus on compensation, others on talent management or transformational leadership, while relatively few integrate all three antecedents with job satisfaction as a common mediating mechanism, particularly in the context of local-government ASN. For example, Rohadi Darmawan (2020) examined compensation and transformational leadership with job satisfaction as an intervening variable but did not include talent management, whereas Hidayat (2022) incorporated compensation, talent management, job satisfaction, and ASN performance without transformational leadership. Therefore, the present study addresses this gap by integrating financial compensation, talent management, and transformational leadership within a single model and examining job satisfaction as the psychological mechanism linking these organizational factors to civil servant performance.

H₈: Job satisfaction mediates the relationship between financial compensation and civil servant performance.

H₉: Job satisfaction mediates the relationship between talent management and civil servant performance.

H₁₀: Job satisfaction mediates the relationship between transformational leadership and civil servant performance.

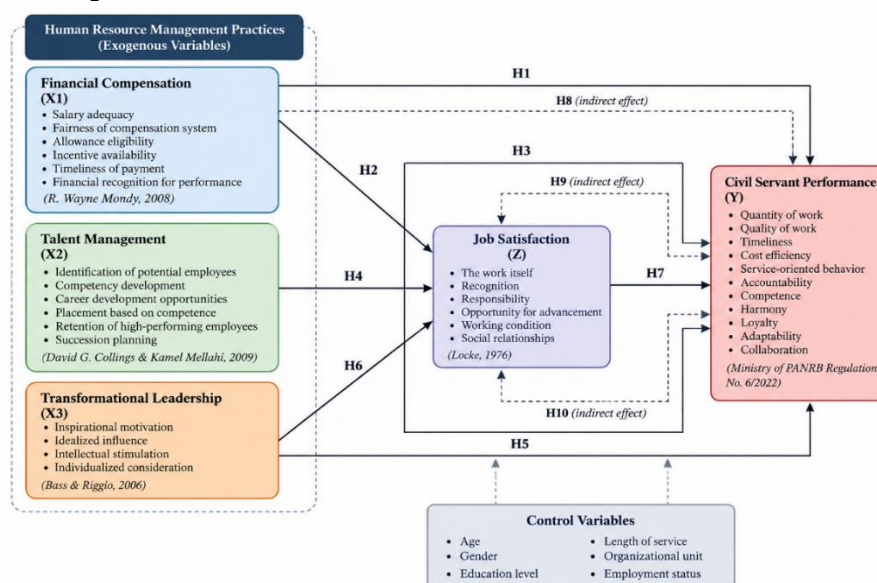


Figure 1. Research Framework

C. METHOD

This study employed a quantitative, descriptive–associative research design to examine the effects of Financial Compensation, Talent Management, and Transformational Leadership on Civil Servant (ASN) Performance, with Job Satisfaction as an intervening variable. The study population comprised 25,765 ASN in the Bogor Regency Government, consisting of 12,126 civil servants (PNS) and 13,639 government employees under employment agreements (PPPK), from which 400 respondents were selected using simple random sampling based on the Taro Yamane formula with a 5% error tolerance. Primary data were collected through a structured questionnaire using a five-point Likert scale, while secondary data were obtained from official documents, regulations, institutional reports, and relevant scholarly literature. The constructs were operationalized through indicators covering financial compensation, talent management, transformational leadership, job satisfaction, and ASN performance. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), including assessment of the measurement model through convergent and discriminant validity and construct reliability, followed by evaluation of the structural model using (R^2) , (Q^2) , effect size (f^2) , collinearity (VIF), model fit, and path coefficients. Hypotheses were tested using bootstrapping at a 5% significance level, with direct and indirect effects examined to assess the mediating role of Job Satisfaction.

D. RESULT AND DISCUSSION

1. Measurement Model

The measurement model was assessed using convergent validity, discriminant validity, and internal consistency reliability. After the initial assessment, eight indicators with outer loadings below 0.70 (KF7, KF8, KF9, KF10, KF11, K2, K12, and KK9) were removed and the model was re-estimated. In the final model, all retained indicators achieved outer loadings above 0.70. The Average Variance Extracted (AVE) ranged from 0.628 to 0.703, exceeding the recommended threshold of 0.50. Discriminant validity was also established, as the HTMT values remained below 0.90, with the highest value of 0.851. Furthermore, Cronbach's Alpha and Composite Reliability values for all constructs exceeded 0.70, confirming satisfactory internal consistency.

Table 1. Measurement Model Assessment

Construct	No. of Items	Loading Range	Cronbach's α	CR	AVE
Financial Compensation	7	0.711–0.883	0.91	0.93	0.70
Talent Management	12	0.757–0.840	0.95	0.95	0.63
Transformational Leadership	16	0.758–0.882	0.97	0.97	0.70
Job Satisfaction	11	0.703–0.874	0.95	0.96	0.69
ASN Performance	20	0.710–0.871	0.98	0.98	0.67

Note: Values are based on the final measurement model.

2. Structural Model and Hypothesis Testing

The structural model demonstrated substantial explanatory capability. Financial Compensation, Talent Management, and Transformational Leadership jointly explained 74.1% of the variance in Job Satisfaction ($R^2 = 0.741$), while the combination of the three antecedents and Job Satisfaction explained 63.0% of the variance in ASN Performance ($R^2 = 0.630$). Predictive relevance was also strong, with Q^2 values of 0.508 for Job Satisfaction and 0.414 for ASN Performance, both exceeding the threshold of 0.35. The structural relationships indicate that Transformational Leadership had the strongest effect on Job Satisfaction ($\beta = 0.49$), followed by Talent Management ($\beta = 0.31$) and Financial Compensation ($\beta = 0.14$). For ASN Performance, Job Satisfaction was the strongest predictor ($\beta = 0.55$), followed by Transformational Leadership ($\beta = 0.26$). Financial Compensation showed a small positive coefficient ($\beta = 0.09$), whereas Talent Management showed a negative coefficient ($\beta = -0.06$).

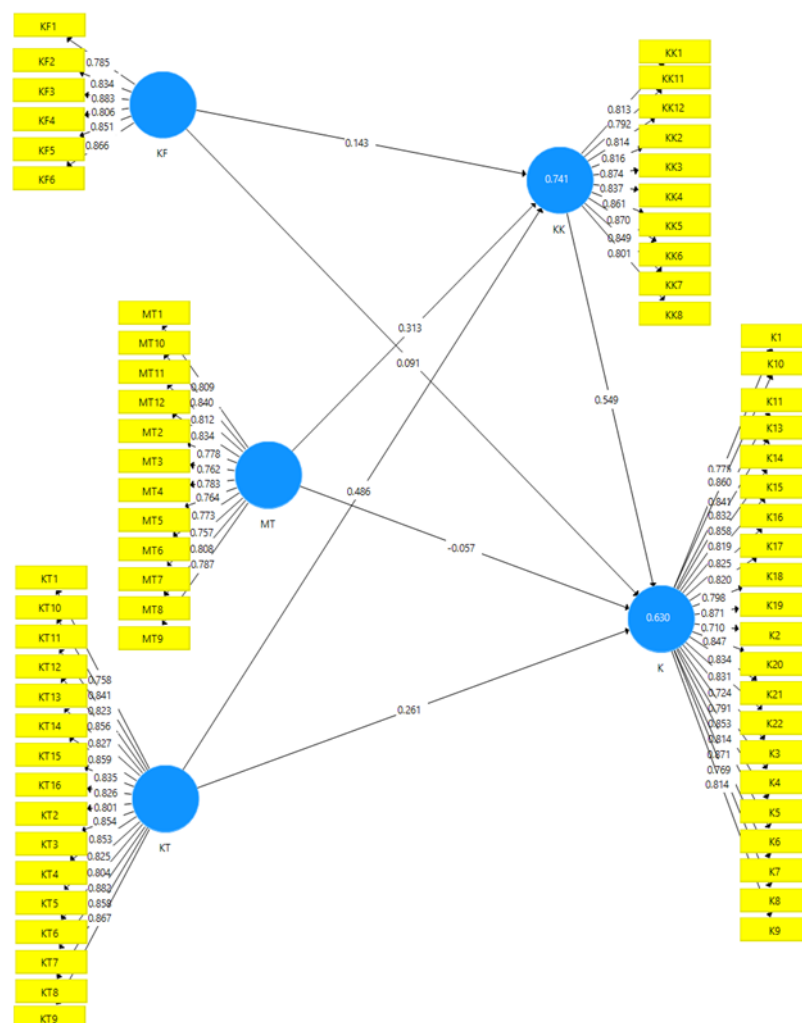


Figure 1. Final SEM-PLS structural model showing standardized path coefficients and R^2 values.

Table 2. Structural Model and Hypothesis Testing

Hypothesis	Relationship	β	t-value	p-value	Decision
H1	Financial Compensation → ASN Performance	0.09	1.71	0.09	Not supported
H2	Talent Management → ASN Performance	-0.06	0.61	0.54	Not supported
H3	Transformational Leadership → ASN Performance	0.26	2.59	0.01	Supported
H4	Financial Compensation → Job Satisfaction	0.14	3.08	<0.001	Supported
H5	Talent Management → Job Satisfaction	0.31	4.51	<0.001	Supported
H6	Transformational Leadership → Job Satisfaction	0.49	7.67	<0.001	Supported
H7	Job Satisfaction → ASN Performance	0.55	7.01	<0.001	Supported

The findings reveal an important distinction between the determinants of Job Satisfaction and those of ASN Performance. Although all three HRM practices significantly improve Job Satisfaction, only Transformational Leadership has a significant direct effect on ASN Performance. Job Satisfaction itself emerges as the strongest direct predictor of performance. Teks yang ditempel

3. Mediation Analysis

The mediation analysis provides the most important finding of the model. Financial Compensation and Talent Management do not significantly influence ASN Performance directly, but both generate significant positive indirect effects through Job Satisfaction. In contrast, Transformational Leadership influences ASN Performance both directly and indirectly through Job Satisfaction.

Table 3. Mediation Analysis

Hypothesis	Indirect Relationship	Direct β	Indirect β	p-value	Mediation
H8	Financial Compensation → Job Satisfaction → ASN Performance	0.09	0.08	0.01	Full mediation
H9	Talent Management → Job Satisfaction → ASN Performance	-0.06	0.17	<0.001	Full mediation
H10	Transformational Leadership → Job Satisfaction → ASN Performance	0.26	0.27	<0.001	Partial mediation

The results show that Job Satisfaction acts as a full mediator in the relationship between Financial Compensation and ASN Performance. The direct effect is positive but insignificant ($\beta = 0.09$, $p = 0.09$), whereas the indirect effect through Job Satisfaction is positive and significant ($\beta = 0.08$, $p = 0.01$). Similarly, Talent Management has no significant direct effect on ASN Performance ($\beta = -0.06$, $p = 0.54$), but its indirect effect through Job Satisfaction is positive and significant ($\beta = 0.17$, $p < 0.001$). This indicates that the contribution of Talent Management to performance is primarily realized through employees' psychological evaluation of their work. Transformational Leadership presents a different mechanism. Its direct effect on ASN Performance is significant ($\beta = 0.26$, $p = 0.01$), while its indirect effect through Job Satisfaction is also significant ($\beta = 0.27$, $p < 0.001$). Therefore, Job

Satisfaction partially mediates this relationship. This finding indicates that transformational leadership contributes to performance through two complementary mechanisms: directly through leadership behaviors and indirectly by creating greater employee satisfaction.

The findings demonstrate that the effects of human resource management practices on ASN performance are not uniform and depend strongly on the psychological mechanism of job satisfaction. Financial compensation does not have a significant direct effect on ASN performance ($\beta = 0.09$, $p = 0.09$), indicating that higher financial rewards alone are insufficient to translate into better performance. This finding differs from Hapsari and Paminto (2022) and Fredriksz (2018), who reported a positive and significant relationship between financial compensation and employee performance. However, the finding is consistent with Rizal and Handayani (2021), who found that financial compensation had a negative and insignificant effect on performance, and is also comparable with the findings of Dwi Puspitasari et al. (2022), who identified a significant negative relationship. These differences suggest that the contribution of financial compensation to performance may depend on how employees perceive and experience the broader work environment. In the present study, financial compensation significantly improves job satisfaction ($\beta = 0.14$, $p < 0.001$), indicating that compensation may contribute to performance primarily by improving employees' psychological evaluation of their jobs rather than by directly increasing performance. A similar pattern is observed for talent management. Talent management has no significant direct effect on ASN performance ($\beta = -0.06$, $p = 0.54$), despite its significant positive effect on job satisfaction ($\beta = 0.31$, $p < 0.001$). This finding contrasts with Sudarijati and Setiawan (2019), Surya et al. (2024), Pratiwi et al. (2022), and Lestari (2021), who found that talent management positively contributes to employee or ASN performance. Nevertheless, the finding is consistent with Ivana and Marzuki (2023) and Yolanda and Santoso (2025), who reported that talent management did not significantly influence performance. The significant indirect effect through job satisfaction ($\beta = 0.17$, $p < 0.001$) provides an important explanation for this inconsistent relationship. Talent management practices, including competency development, career opportunities, and appropriate placement, may not immediately improve performance unless employees perceive these practices as meaningful and satisfying. This finding reinforces the argument of Hidayat (2022) that compensation and talent management can contribute to ASN performance through job satisfaction.

In contrast, transformational leadership demonstrates both a significant direct and indirect contribution to ASN performance. Transformational leadership has a positive and significant direct effect on performance ($\beta = 0.26$, $p = 0.01$), supporting the findings of Mendrofa et al. (2024) and Moring et al. (2021), who found that transformational leadership positively and significantly influences employee performance. The finding is also consistent with Suryosukmono (2020), who emphasized the importance of transformational leadership in improving ASN performance, and Rahman and Nugroho (2019), who demonstrated the role of

transformational leadership in enhancing employee outcomes. However, the result differs from Harini et al. (2018) and Novitasari and Asbari (2020), who reported insignificant relationships between transformational leadership and performance. These differences suggest that the effectiveness of transformational leadership may be particularly dependent on organizational context. In the present public-sector context, leaders who communicate a clear vision, provide inspiration, and encourage employees to develop may have a more immediate influence on ASN performance.

The strong relationship between transformational leadership and job satisfaction further supports this interpretation. Transformational leadership has the largest effect among the three antecedent variables on job satisfaction ($\beta = 0.49$, $p < 0.001$). This finding is consistent with Wijaya and Supartha (2020), who showed that transformational leadership can increase ASN job satisfaction through inspiration, vision communication, and supervisory support. It also supports Rahman and Nugroho (2019), as well as Buhori (2026), who identified transformational leadership as an important factor influencing job satisfaction. The relatively stronger coefficient suggests that, compared with financial compensation and talent management, leadership behavior may be more influential in shaping how ASN perceive their work and organizational experience. This is particularly relevant in public-sector organizations, where opportunities for financial differentiation may be constrained by standardized administrative and regulatory systems.

The findings further show that job satisfaction is a significant determinant of ASN performance ($\beta = 0.55$, $p < 0.001$). Among the structural relationships examined, this represents one of the strongest effects, indicating that employees who experience greater satisfaction are more likely to demonstrate higher levels of performance. This finding is consistent with Azizah (2025) and Kurniawan et al. (2018), who found that job satisfaction contributes positively to employee performance. It also reinforces Yuliana et al. (2020), who demonstrated the mediating role of job satisfaction in linking organizational factors to performance, and Suryosukmono (2020), who emphasized job satisfaction as an important mechanism through which transformational leadership contributes to ASN performance. Thus, the results indicate that performance improvement cannot be separated from employees' subjective evaluation of their work experience.

The mediation analysis provides further evidence of the central role of job satisfaction in the proposed model. Financial compensation has a significant indirect effect on ASN performance through job satisfaction ($\beta = 0.08$, $p = 0.01$), while its direct effect is insignificant. This indicates an indirect-only or full mediation pattern, suggesting that financial compensation contributes to performance primarily by enhancing employees' job satisfaction. This result is consistent with Dewi et al. (2021) and Kurniawan et al. (2018), who demonstrated that compensation can influence performance through employee attitudes and satisfaction, and with Yuliana et al. (2020), who identified job satisfaction as an important intervening mechanism between organizational conditions and employee performance.

Talent management also has a significant indirect effect on ASN performance through job satisfaction ($\beta = 0.17$, $p < 0.001$), while its direct effect is insignificant. This result indicates that the contribution of talent management to ASN performance is realized predominantly through employees' satisfaction with their work. The finding supports Hidayat (2022), while also helping explain why previous studies have produced mixed findings regarding the direct relationship between talent management and performance. Rather than assuming that talent management automatically produces better performance, the results suggest that its effectiveness depends on whether employees perceive development opportunities, career pathways, and talent placement as satisfying and beneficial to their work experience.

Meanwhile, transformational leadership demonstrates partial mediation through job satisfaction. Its indirect effect on ASN performance is positive and significant ($\beta = 0.27$, $p < 0.001$), while the direct effect remains significant ($\beta = 0.26$, $p = 0.01$). This finding indicates that transformational leadership improves ASN performance through two complementary pathways: directly through leadership behavior and indirectly by increasing job satisfaction. The result is consistent with Putri and Amelia (2025), who found that transformational leadership can improve performance through job satisfaction, and with Suryosukmono (2020), who emphasized the role of job satisfaction and motivation in translating transformational leadership into improved ASN performance. At the same time, the finding differs from Rohadi Darmawan (2020), who found that job satisfaction was not effective as an intervening variable. The difference may be related to the broader configuration of the present model, which simultaneously considers financial compensation, talent management, and transformational leadership as antecedents of job satisfaction.

Overall, the findings position job satisfaction as the central mechanism connecting human resource management practices with ASN performance. Financial compensation and talent management appear to require a satisfaction-based pathway to influence performance, whereas transformational leadership operates through both direct and indirect mechanisms. This pattern provides a more nuanced explanation of the inconsistent relationships reported in previous studies. The results also extend the findings of Hidayat (2022), which examined compensation and talent management in relation to ASN performance through job satisfaction, by incorporating transformational leadership into the same explanatory framework. Similarly, the present findings complement Rohadi Darmawan (2020) by demonstrating that the mediating role of job satisfaction may become more evident when multiple HRM and leadership antecedents are considered simultaneously. Consequently, improving ASN performance should not focus exclusively on increasing compensation, implementing talent management programs, or strengthening leadership practices in isolation, but should also ensure that these practices create a work environment in which employees experience meaningfulness, fairness, development opportunities, and satisfaction.

E. CONCLUSION

This study concludes that the influence of human resource management practices on ASN performance is largely explained through job satisfaction. Financial compensation and talent management do not have significant direct effects on ASN performance, but both significantly improve performance through job satisfaction. In contrast, transformational leadership has both a significant direct effect and an indirect effect through job satisfaction. Job satisfaction itself has a strong positive effect on ASN performance, confirming its central role in translating organizational practices into improved employee outcomes. Overall, the findings suggest that improving ASN performance requires not only strengthening compensation, talent management, and leadership practices, but also ensuring that these practices generate a satisfying and meaningful work experience. Future research could extend this model by examining additional factors that may explain ASN performance, such as organizational commitment, employee engagement, motivation, perceived organizational support, or organizational culture. Further studies could also test the model across different local governments, public-sector institutions, or regions to improve the generalizability of the findings. A longitudinal approach would additionally be valuable to capture how changes in compensation, talent management, transformational leadership, and job satisfaction influence ASN performance over time.

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