

(Research/Review) Article

How Knowledge Transfer Mechanism and Integrity Improve Local Government Performance: Evidence from Indonesian Regional Agencies

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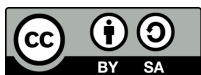
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Abstract. This study was motivated by the importance of improving the performance of regional government agencies in supporting the implementation of the Government Agency Performance Accountability System (SAKIP) to achieve effective, professional, transparent, and accountable governance. Despite increasing attention to public sector accountability, empirical evidence explaining how competence mediates the relationship between knowledge transfer mechanisms, integrity, and organizational performance remains limited, particularly in Indonesian local governments. The study aimed to analyze the effects of knowledge transfer mechanisms and integrity on the performance of regional government agencies through competence in the Regional Government of Badung Regency. This study employed a quantitative approach using a survey method. The population consisted of 37 regional government agencies within the Regional Government of Badung Regency. The sample was determined using purposive sampling, consisting of employees who were members of the SAKIP Team in each regional government agency. Data were collected through questionnaire distribution and analyzed using Structural Equation Modeling (SEM) based on Partial Least Square (PLS), to test direct and indirect relationships between variables. The results showed that the knowledge transfer mechanism had a negative but insignificant effect on the performance of regional government agencies. Integrity had a positive and significant effect on the performance of regional government agencies. Both the knowledge transfer mechanism and integrity had positive and significant effects on competence. Competence also had a positive and significant effect on the performance of regional government agencies and mediated the effects of the knowledge transfer mechanism and integrity on organizational performance. Based on the research results, it can be concluded that improving regional apparatus performance is influenced by the integrity and competence of the apparatus, while the knowledge transfer mechanism contributes to performance improvement through competence as a mediating variable. Therefore, the Badung Regency Government is advised to strengthen the integrity of the apparatus through continuous guidance and supervision and improve the competence of the apparatus through education, training, and capacity building to support the realization of professional and accountable governance.

Keywords: Competence; Integrity; Knowledge Transfer Mechanism; Regional Apparatus Performance; SAKIP.

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1. Introduction

Human resources are a crucial element in determining the success of public organizations in achieving their institutional objectives (Rahmawati dkk., 2024). The availability of technology, budgets, and facilities will not produce optimal results without employees who possess adequate capabilities and commitment. Human resource management is needed to develop, motivate, and direct employees so that they can perform their duties responsibly and productively. Employee performance reflects the extent to which work targets, service standards, and organizational programs can be achieved effectively. Strong performance also supports public trust because citizens expect government institutions to provide accountable and responsive services. Effective human resource management can improve employee productivity, work discipline, and the quality of organizational outcomes (Hamali, 2022).

Knowledge transfer mechanisms are considered one of the factors that may influence the performance of regional government agencies (Probosari & Siswanti, 2022). Knowledge transfer refers to the process of sharing information, experience, skills, and work procedures among employees to support the completion of organizational tasks. This process can occur through training, technical guidance, mentoring, coordination meetings, discussions, and the use of digital information systems. When knowledge is shared properly, employees can understand work procedures more clearly, reduce errors, and respond more quickly to policy changes. Previous studies indicate that knowledge transfer can improve organizational performance by strengthening collaboration and improving the use of available knowledge. However, several studies have found different results, indicating that the influence of knowledge transfer on performance may depend on organizational conditions and employee participation (Panggabean & Silvianita, 2021).

Integrity is another important factor that may affect the performance of regional government agencies. Integrity refers to honesty, consistency, responsibility, compliance with regulations, and commitment to ethical values in carrying out public duties (Siahaan, 2025). Employees with strong integrity are expected to avoid misuse of authority, provide transparent services, and prioritize public interests. This attitude can strengthen accountability and improve the credibility of government institutions in the eyes of society. Research has shown that integrity has a positive relationship with employee performance because ethical behavior supports responsible decision-making and work discipline. Other findings, however, suggest that integrity may not always have a significant direct effect on performance when organizational systems and supervision remain weak (Tairas & Taroreh, 2024).

Competence is used as a mediating variable because it represents the ability of employees to perform their duties effectively. Competence includes knowledge, technical skills, attitudes, problem-solving abilities, and the capacity to adapt to work demands (Putra dkk., 2022). Competent employees are better able to understand regulations, use technology, prepare reports, and complete administrative tasks according to established standards. The quality of competence can influence the effectiveness of planning, implementation, monitoring, and evaluation within regional government agencies. Previous research confirms that competence can improve employee performance because it supports accuracy, efficiency, and professional work behavior. Nevertheless, some studies report that competence does not always produce a significant improvement in performance when employees do not receive sufficient organizational support (Silalahi dkk., 2023).

Knowledge transfer mechanisms are expected to improve employee competence because they provide opportunities to obtain practical experience and updated information (Paulin dkk., 2023). Employees can develop their abilities by learning from supervisors, colleagues, training programs, and organizational documentation. This process is particularly important when government agencies must adapt to new regulations, digital systems, reporting standards, and public service demands. Structured knowledge transfer can also reduce dependence on certain individuals because information and work skills can be distributed more evenly among employees. Studies have found that knowledge sharing and transfer contribute positively to competence development by improving employee learning and professional capacity. Other research shows that the effect may be limited when knowledge transfer is not supported by active communication and a learning-oriented work culture (Panggabean & Silvianita, 2021).

Integrity is also expected to contribute to the development of employee competence. Employees who demonstrate honesty, discipline, and responsibility are more likely to use their knowledge and skills appropriately in carrying out their duties (Sudrajat & Fikri, 2025). Integrity encourages employees to participate seriously in training, accept evaluations, and improve weaknesses in their work performance. It also supports professional behavior because employees are expected to apply their competence according to ethical standards and public service principles. Research indicates that integrity can strengthen competence by encouraging employees to develop their abilities responsibly and consistently. Another study emphasizes that integrity-related values may improve professional capacity when supported by leadership, supervision, and organizational commitment (Rani dkk., 2022).

The Badung Regency Government has an important role in implementing public administration, development programs, and public services in Badung Regency. Its regional government agencies include the regional secretariat, the secretariat of the regional parliament, the inspectorate, regional offices, regional agencies, and subdistrict administrations.

These institutions assist the Regent and the Regional House of Representatives in carrying out governmental affairs under regional authority. Therefore, the performance of regional government agencies is an important indicator of the success of local government programs and service delivery. The organizational performance of these agencies is influenced by employees, leadership, work systems, budgets, and institutional resources. The legal basis for the organizational structure and duties of regional government agencies in Badung Regency is regulated through Badung Regency Regional Regulation Number 20 of 2016 (Badung Regency Regional Regulation Number 20 of 2016). The implementation of regional government functions also requires accountability and measurable performance management to ensure that public programs meet their intended targets (LKjIP Badung Regency, 2024).

The 2024 Government Agency Performance Report of Badung Regency recorded an average performance achievement of 121 percent. Although many indicators met or exceeded their targets, several indicators still showed results below expectations. The Government Agency Performance Accountability System score reached 76.33, while the target was 79.50, resulting in an achievement level of 96 percent. The contribution of the tourism sector to Gross Regional Domestic Product also remained below the target, with a realization of 25.72 percent compared with the target of 26.50 percent. In addition, the poverty rate was recorded at 2.23 percent, exceeding the target of 1.80 percent. These findings indicate that performance improvement remains necessary, particularly in planning, implementation, monitoring, and evaluation processes (LKjIP Badung Regency, 2024). Performance measurement is important because it enables local governments to identify gaps between planned targets and actual achievements (Inspektorat Badung Regency, 2024).

The evaluation results of regional government agencies in Badung Regency during 2024 showed differences in performance scores among agencies. Several agencies achieved very high scores, such as South Kuta Subdistrict with a score of 99.5, while other agencies obtained lower scores, including Petang Subdistrict with a score of 65, the Cultural Office with a score of 72.02, and the Tourism Office with a score of 75.02. The average score of 37 regional government agencies reached 89.51 with an A predicate, but the variation in scores indicates that performance quality is not yet evenly distributed. These differences may be related to variations in employee competence, knowledge-sharing practices, leadership support, and work discipline. The Ministry of Administrative and Bureaucratic Reform recommended improvements in planning documents, performance indicators, monitoring activities, performance reports, and the use of performance information for decision-making (LHE AKIP Badung Regency, 2024). The recommendations also highlight the importance of reward and punishment mechanisms to strengthen accountability and employee commitment (Inspektorat Badung Regency, 2024).

The identified issues in the Badung Regency Government relate to the need to strengthen knowledge transfer mechanisms, integrity, and competence among regional government employees. Knowledge transfer regarding the use of the e-SAKIP application needs to be improved so that employees can understand performance indicators, planning procedures, reporting requirements, monitoring activities, and evaluation processes. Integrity must also be strengthened through guidance, supervision, leadership example, and compliance with organizational rules to support transparent and accountable governance. Competence among SAKIP management teams requires further development because limited understanding of performance accountability and information technology may affect the quality of reports and organizational target achievement. Differences in previous research findings regarding the relationships between knowledge transfer, integrity, competence, and performance provide a basis for further examination. This study therefore examines competence as a mediating variable in the relationship between knowledge transfer mechanisms, integrity, and the performance of regional government agencies in the Badung Regency Government (Rani & Devi, 2025). The study is expected to provide evidence regarding factors that can support stronger performance management and public service quality in regional government institutions (Alkathiri, 2024).

2. Method

This study employs a quantitative research design to examine the effects of knowledge transfer mechanisms and integrity on the performance of regional government agencies, with competence serving as a mediating variable. The research was conducted among 37 regional government agencies within the Badung Regency Government, including secretariats, inspectorates, regional offices, regional agencies, and subdistrict administrations.

The respondents consist of SAKIP accountability management teams in each agency, and the study applies a census sampling method because the total population is fewer than 100 units. The exogenous variables are knowledge transfer mechanisms and integrity, while competence is the mediating variable and regional government agency performance is the endogenous variable. Data were collected through questionnaires, interviews, and documentation, using both primary data from respondents and secondary data from performance evaluation documents. The questionnaire items were developed based on indicators of knowledge transfer, integrity, competence, and agency performance, then tested for validity and reliability before distribution. Descriptive analysis was used to describe respondent characteristics and variable responses, while inferential analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). The outer model was evaluated through convergent validity, discriminant validity, loading factors, Average Variance Extracted, Cronbach's Alpha, and composite reliability, whereas the inner model was assessed using R-square and F-square values. Hypothesis testing was conducted through bootstrapping, with a relationship considered significant when the p-value was equal to or below 0.05. The mediating role of competence was examined by testing the direct and indirect relationships between knowledge transfer mechanisms, integrity, competence, and regional government agency performance to determine whether the mediation was full, partial, or unsupported (Creswell, 2022).

3. Results and Discussion

Results

Validity Test

Based on Table 1., all measurement items are valid because each indicator has an outer loading value above 0.60 (Hair et al., 2021).

Tabel 1. Validity Test.

Variable	Statement Items	Outer loadings	Description
Knowledge Transfer Mechanism	X1.1	0,715	Valid
	X1.2	0,720	Valid
	X1.3	0,725	Valid
	X1.4	0,861	Valid
	X1.5	0,834	Valid
	X1.6	0,735	Valid
Integrity	X2.1	0,852	Valid
	X2.2	0,863	Valid
	X2.3	0,803	Valid
	X2.4	0,871	Valid
	X2.5	0,902	Valid
	X2.6	0,902	Valid
Competence	M1	0,850	Valid
	M2	0,830	Valid
	M3	0,819	Valid
	M4	0,752	Valid
	M5	0,846	Valid
	M6	0,716	Valid
Regional Government Performance	Y1	0,904	Valid
	Y2	0,911	Valid
	Y3	0,905	Valid
	Y4	0,921	Valid
	Y5	0,921	Valid

Reliability Test

Table 2. Reliability Test.

Variable	Composite reliability (rho_a)	Cronbach's alpha	Description
Knowledge Transfer Mechanism	0,898	0,867	Reliabel
Integrity	0,937	0,933	Reliabel
Competence	0,950	0,950	Reliabel
Regional Government Performance	0,898	0,889	Reliabel

Convergent Validity Test

Based on Table 3., all indicators show outer loading values above 0.70, confirming that all latent variable indicators meet convergent validity requirements.

Table 3. Convergent Validity Test.

Variable	Item Pernyataan	Outer loadings
Knowledge Transfer Mechanism	X1.1	0,715
	X1.2	0,720
	X1.3	0,725
	X1.4	0,861
	X1.5	0,834
	X1.6	0,735
Integrity	X2.1	0,852
	X2.2	0,863
	X2.3	0,803
	X2.4	0,871
	X2.5	0,902
	X2.6	0,902
Competence	M1	0,850
	M2	0,830
	M3	0,819
	M4	0,752
	M5	0,846
	M6	0,716
Regional Government Performance	Y1	0,904
	Y2	0,911
	Y3	0,905
	Y4	0,921
	Y5	0,921

Discriminant Validity Test

Based on Table 4, all variables meet discriminant validity criteria as each construct shows higher values on the diagonal compared to its correlations with other constructs.

Table 4. Discriminant Validity Test.

	Integrity	Regional Government Performance	Competence	Knowledge Transfer Mechanism
Integrity	0,887			
Regional Government Performance		0,912		
Competence			0,880	
Knowledge Transfer Mechanism				0,877

R-Square (R²) Evaluation

The R-Square results indicate that the model explains 87.6% of Kinerja Perangkat Daerah (substantial) and 64.5% of Kompetensi (moderate), showing strong explanatory power of the exogenous variables.

Table 5. R-Square (R²).

	R-square	R-square adjusted
Regional Government Performance	0,876	0,865
Competence	0,645	0,624

Structural Model Evaluation using F-Square (F²)

The F-Square results show that Integritas has a large effect on both Kinerja Perangkat Daerah and Kompetensi, Kompetensi also has a large effect on Kinerja Perangkat Daerah, while Mekanisme Transfer Pengetahuan has a small to negligible effect.

Tabel 6. Structural Model Evaluation using F-Square (F²).

	F-square
Knowledge Transfer Mechanism ⇒ Regional Government Performance	0,013
Integrity ⇒ Regional Government Performance	0,764
Knowledge Transfer Mechanism ⇒ Competence	0,034
Integrity ⇒ Competence	0,468
Competence ⇒ Regional Government Performance	0,553

Hypothesis Testing

The hypothesis testing results indicate that integrity and competence have a positive and significant effect on regional government performance, while knowledge transfer mechanisms do not significantly affect performance but have a positive and significant effect on competence.

Tabel 7. Hypothesis Testing.

	Original sample (O)	T statistics	P values	Keterangan
Knowledge Transfer Mechanism $\Rightarrow$ Regional Government Performance	-0,066	1,834	0,067	Ditolak
Integrity $\Rightarrow$ Regional Government Performance	0,600	10,624	0,000	Diterima
Knowledge Transfer Mechanism $\Rightarrow$ Competence	0,178	2,433	0,015	Diterima
Integrity $\Rightarrow$ Competence	0,656	9,257	0,000	Diterima
Competence $\Rightarrow$ Regional Government Performance	0,440	7,524	0,000	Diterima

Discussion

The Effect of Knowledge Transfer Mechanisms on Regional Government Agency Performance in Badung Regency

The hypothesis testing results indicate that knowledge transfer mechanisms have a negative but insignificant effect on the performance of regional government agencies in the Badung Regency Government, meaning that the proposed positive relationship is not supported (Panggabean & Silvianita, 2021). Based on Goal Setting Theory, knowledge transfer should help employees understand organizational objectives, clarify work targets, strengthen commitment, and improve their ability to perform assigned duties. However, the findings suggest that the existing knowledge transfer mechanisms activities have not directly contributed to improved agency performance. This condition may occur because the knowledge-sharing process is still focused on administrative requirements, technical reporting procedures, or formal activities rather than the actual needs of employees. As a result, the information received may not be sufficiently relevant or applicable to daily work activities, which limits its contribution to the achievement of organizational targets. Similar findings were reported by Igoa-Iraola and Diez (2024), who found that knowledge transfer mechanisms does not necessarily improve organizational performance when the transferred knowledge is not effectively applied.

The negative direction of the relationship also indicates that frequent knowledge transfer activities do not automatically lead to better performance if the materials are not aligned with job requirements, follow-up actions are limited, or employees have few opportunities to implement the acquired knowledge. This result differs from studies showing that effective knowledge transfer can strengthen employee capability, accelerate decision-making, and improve organizational performance when supported by proper implementation and utilization processes (Argote dkk., 2022). In the implementation of SAKIP in the Badung Regency Government, knowledge transfer may have focused more on document preparation and reporting procedures than on strengthening employees' strategic understanding of how performance information should be used to achieve organizational objectives.

The findings also indicate that knowledge transfer has a more meaningful role in improving employee competence, while performance improvement may depend on competence, integrity, leadership, organizational culture, motivation, and adequate system support. Therefore, the Badung Regency Government should design knowledge transfer activities based on employee needs, provide relevant materials, ensure follow-up support, and create opportunities for employees to apply their knowledge in completing their duties (Yeboah, 2023).

The Effect of Integrity on Regional Government Agency Performance in Badung Regency

The hypothesis testing results show that integrity has a positive and significant effect on the performance of regional government agencies in the Badung Regency Government, indicating that the proposed hypothesis is accepted (Sanosra dkk., 2022). Integrity reflects honesty, consistency between words and actions, responsibility, discipline, and compliance with organizational rules.

Based on Goal Setting Theory, employees with strong integrity are more committed to achieving organizational targets because they perform their duties consistently and responsibly. High-integrity employees are also more likely to complete work on time, maintain service quality, and avoid misconduct such as data manipulation or misuse of authority. These behaviors create a more transparent, professional, and goal-oriented work environment that supports better organizational performance (Arifin & Putra, 2023).

The findings indicate that integrity is an important factor in supporting the achievement of performance targets, including the implementation of the Government Agency Performance Accountability System (SAKIP) in the Badung Regency Government (Konadu dkk., 2023). Employees with strong integrity are more committed to preparing transparent performance reports, implementing programs according to established objectives, and ensuring that organizational activities follow applicable procedures. Therefore, the Badung Regency Government should continue strengthening employee integrity through ethical guidance, discipline improvement, leadership role models, and consistent monitoring and evaluation systems. These efforts can enhance employee commitment, accountability, and responsibility, which will contribute to sustainable improvements in regional government agency performance (Musdalifah dkk., 2024).

The Effect of Knowledge Transfer Mechanisms on the Competence of SAKIP Teams in Badung Regency Government

The hypothesis testing results demonstrate that knowledge transfer mechanisms have a positive and significant effect on the competence of SAKIP teams in the Badung Regency Government, confirming the proposed hypothesis (Vidergor, 2022). Knowledge transfer involves the sharing and delivery of information, experience, skills, and work procedures so that employees can understand and apply them in their duties. For SAKIP teams, this process includes knowledge related to performance accountability, the use of the e-SAKIP application, performance indicator formulation, performance reporting, and organizational evaluation. Based on Goal Setting Theory, clear knowledge regarding organizational targets, work standards, and procedures can motivate employees to improve their ability to achieve established objectives (Putra et al., 2022). Effective knowledge transfer therefore helps SAKIP team members develop stronger knowledge, skills, and understanding in performing their responsibilities (Peng dkk., 2021).

The findings indicate that training, mentoring, discussions, coordination among regional government agencies, and the use of information technology can strengthen the competence of SAKIP teams in carrying out performance accountability management (Kwao dkk., 2022). When knowledge transfer is implemented effectively, employees are better able to understand work procedures, prepare performance reports, operate the e-SAKIP application, and complete tasks accurately according to established standards. The results support the view that knowledge sharing helps employees adapt to changes in organizational systems and technology while improving their capacity to solve work-related problems. Therefore, the Badung Regency Government should maintain structured and continuous knowledge transfer activities to support the professional development of SAKIP team members and improve the quality of performance accountability management (Rani S & Devi EB, 2025).

The Effect of Integrity on the Competence of SAKIP Teams in Badung Regency Government

The hypothesis testing results show that integrity has a positive and significant effect on the competence of SAKIP teams in the Badung Regency Government, confirming the proposed hypothesis (Rani dkk., 2022). Integrity includes honesty, responsibility, behavioral consistency, discipline, and compliance with organizational rules and ethical standards. SAKIP team members with strong integrity are more likely to understand regulations, improve their work abilities, and perform their duties according to established procedures. They also tend to participate seriously in training, complete assignments responsibly, and apply their knowledge and skills consistently. These behaviors support improvements in knowledge, technical skills, professional attitudes, and the ability to manage performance accountability effectively (Trivellas dkk., 2023). The findings indicate that integrity encourages SAKIP team members to work objectively, carefully, transparently, and openly toward continuous learning and professional development (Sharpe dkk., 2023).

In the Badung Regency Government, strong integrity can improve employees' ability to understand SAKIP, formulate performance indicators, prepare reports, conduct evaluations, and operate the e-SAKIP application according to applicable regulations. Therefore, the Badung Regency Government should strengthen integrity through ethical guidance, discipline development, leadership role models, and a transparent and accountable organizational culture. These efforts can enhance the competence of SAKIP teams and support more professional performance accountability management within regional government agencies (Dewi dkk., 2025).

The Effect of Competence on Regional Government Agency Performance in Badung Regency

The hypothesis testing results show that competence has a positive and significant effect on the performance of regional government agencies in the Badung Regency Government, confirming the proposed hypothesis (Sanosra dkk., 2022). Competence includes knowledge, technical skills, work attitudes, and individual characteristics that support the implementation of public duties. SAKIP team members with strong competence are better able to understand regulations, prepare performance indicators, evaluate programs, manage data, and operate the e-SAKIP application accurately (Kepramareni et al., 2025). Their ability to perform these tasks supports effective planning, proper reporting, and accountable performance management. Competence also encourages employees to work professionally, efficiently, and in accordance with established organizational standards (Musdalifah dkk., 2024).

The findings indicate that competent SAKIP team members can improve the quality of public services and support the achievement of organizational performance targets in the Badung Regency Government (Santi et al., 2020). In addition to knowledge and technical skills, discipline, responsibility, commitment, communication, and teamwork are important aspects that help employees coordinate activities and complete organizational programs effectively. However, competence should be supported by motivation, leadership, a positive work environment, and adequate organizational systems to produce stronger performance outcomes. Therefore, the Badung Regency Government should continuously improve the competence of SAKIP teams through education and training, workshops, technical guidance, and professional development programs. These efforts can create capable, adaptive, and result-oriented employees who contribute to sustainable improvements in regional government agency performance (Herwina, 2022).

The Effect of Knowledge Transfer Mechanisms on Regional Government Agency Performance through Competence in Badung Regency Government

The hypothesis testing results show that knowledge transfer mechanisms have a positive and significant indirect effect on the performance of regional government agencies through the competence of SAKIP teams in the Badung Regency Government, confirming the proposed hypothesis (Vidergor, 2022). Knowledge transfer through training, mentoring, coordination, discussions, and information technology helps SAKIP team members understand performance indicators, manage data, evaluate programs, prepare performance reports, and use the e-SAKIP application.

This process improves employees' knowledge, skills, and work attitudes, enabling them to perform their responsibilities more accurately and effectively. The findings indicate that knowledge transfer does not directly improve agency performance but first strengthens employee competence, which then supports better work quality and organizational target achievement (Peng dkk., 2021).

Competence is proven to act as a full mediating variable because the direct effect of knowledge transfer mechanisms on regional government agency performance is insignificant, while the indirect effect through competence is significant (Kwao dkk., 2022). This finding shows that the success of SAKIP implementation depends not only on the availability of knowledge-sharing activities but also on employees' ability to understand and apply the acquired knowledge in their work. Competent SAKIP team members can prepare performance plans, conduct program measurement and evaluation, and produce accurate and accountable performance reports. Therefore, the Badung Regency Government should strengthen knowledge transfer through training, workshops, mentoring, knowledge-sharing forums, and technology optimization while continuously developing employee competence to improve professional, effective, and accountable regional government agency performance (Rani S & Devi EB, 2025).

The Effect of Integrity on Regional Government Agency Performance through Competence in Badung Regency Government

The hypothesis testing results show that integrity has a positive and significant effect on regional government agency performance through competence in the Badung Regency Government, confirming the proposed hypothesis (Rani dkk., 2022). Integrity encourages SAKIP team members to work honestly, responsibly, consistently, and transparently while continuously improving their knowledge, skills, and professional attitudes. Employees with strong integrity are more committed to understanding regulations, managing performance data, preparing indicators, evaluating programs, and producing accountable performance reports. Competence translates these integrity values into effective work practices, enabling employees to perform their duties accurately and according to organizational standards (Trivellas dkk., 2023).

Competence acts as a partial mediating variable because both the direct effect of integrity on performance and the indirect effect through competence are significant (Sharpe dkk., 2025). This finding indicates that integrity can improve performance directly through disciplined and responsible behavior, while it can also improve performance indirectly by strengthening employee competence. In the Badung Regency Government, integrity supported by competence can promote professional, transparent, and accountable work practices, improve public service quality, and support the achievement of organizational targets. Therefore, the government should strengthen integrity through ethical guidance, discipline, leadership role models, and transparent organizational culture while continuously developing employee competence through training, technical guidance, workshops, and mentoring (Dewi dkk., 2025).

4. Conclusion

The study concludes that knowledge transfer mechanisms do not have a significant direct effect on the performance of regional government agencies in the Badung Regency Government. However, integrity has a positive and significant effect on agency performance, indicating that employees with higher integrity are more capable of achieving organizational objectives. Knowledge transfer mechanisms also have a positive and significant effect on the competence of SAKIP teams, while integrity significantly improves employee competence. In addition, competence has a positive and significant effect on regional government agency performance, showing that capable employees can perform their duties, improve service quality, and achieve organizational targets more effectively.

Competence plays a full mediating role in the relationship between knowledge transfer mechanisms and regional government agency performance. This means that knowledge transfer improves performance only when it first strengthens the competence of SAKIP team members. Meanwhile, competence plays a partial mediating role in the relationship between integrity and agency performance because integrity improves performance both directly and indirectly through increased employee competence.

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