## ABSTRACT

Technological advances along with the times continue to influence performance, including in local government organizations. Therefore, organizations in the government sector must also develop the potential of their employees. The grand theory in this study is the Goal Setting Theory which is then strengthened by previous literature. Data collection in this involved 125 respondents, in this case all employees of the Semarang City Education Office, both ASN and Non-ASN, which were then analyzed quantitatively by utilizing the Structural Equation Model (SEM) with the SmartPLS Version 4.1.09 program.

The findings in this study are that Competence and Knowledge Sharing Behavior have a positive and significant influence on Employee Performance, then Competence and Knowledge Sharing Behavior have a positive and significant influence on Innovative Work Behavior and Innovative Work Behavior has a positive and significant influence on Employee Performance. While for the indirect relationship through the mediation variable, the results obtained are that Innovative Work Behavior can mediate the Competence variable on Employee Performance, while Innovative Work Behavior cannot mediate the Knowledge Sharing Behavior variable on Employee Performance. All hypotheses in this study are accepted and the implications for management policies can be useful for officials at the Semarang City Education Office to improve employee potential and become more competitive by designing policy strategies that can improve performance.

*Keywords:* Competence, Knowledge Sharing Behavior, Innovative Work Behavior, Employee Performance.