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Transformational Leadership and Organizational Culture Impact on Government Employee Performance Mediated by Work Quality as an Intervening Factor

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ABSTRACT

Unclear task division often leads to less objective performance evaluation, leaving employees uncertain about targets and reducing their motivation to achieve optimal results or improve service quality. This study investigates the impact of transformational leadership and organizational culture on employee performance, with work quality as a mediating variable, at the Tiganderket Sub-district Office. A quantitative approach with path analysis was applied, using data collected from 36 active employees through questionnaires. The findings reveal that transformational leadership positively influences employee performance indirectly through work quality, with a path coefficient of 0.290, T equal 2.846, p equal 0.004, indicating significant mediation. Similarly, organizational culture shows a strong indirect effect on employee performance via work quality, with a path coefficient of 0.440, T equal 4.290, and p less than 0.001. Furthermore, transformational leadership has a positive and highly significant effect on work quality, confirming that improvements in performance are achieved through enhanced work quality rather than direct influence. work quality thus functions as a full mediator between transformational leadership and employee performance. In contrast, organizational culture demonstrates both a very strong direct effect on employee performance and an indirect effect mediated by work quality. Additionally, work quality itself significantly and positively impacts





employee performance.

Keywords: Dependent Variable, Independent Variable, Intervening, Effect Variable, Indicator Impact, Human Resources

INTRODUCTION

Leadership development in government is undergoing a transformation from authoritarian to participatory, with a focus on increased accountability and transparency (Senadjki et al., 2024). Authoritarian tendencies are shifting toward leadership that encourages community participation in development and public services. The introduction of individual employee performance assessments impacts the achievement of the institution's vision and mission (Zhang et al., 2022). Performance is the result of a process that refers to and is measured over a certain period of time based on previously established provisions or agreements (Behrens et al., 2023). Civil Servant Performance in Government Regulation of the Republic of Indonesia Number 30 of 2019 concerning Civil Servant Performance Assessment is the work results achieved by each Civil Servant in an organization/agency based on Employee Performance Targets and Work Behavior. Performance assessments can also be the basis for decision-making regarding promotions, salary increases, and career development. Unbalanced workloads and employees who bear excessive tasks, while others are less active, give rise to pessimism and provide haphazard performance results. Providing unclear and overlapping job descriptions or not well documented results in a lack of employee concern for the quality of public services. Transformational leadership is a leadership perspective that explains leaders transforming teams or organizations by creating, communicating, and modeling a vision for the organization or work unit and inspiring workers to strive to achieve the vision (Hartono et al., 2024).





Supporting the implementation of Good Corporate Governance impacts performance. An employee's leadership style can drive improved HR performance. A non-inspiring leadership style prevents leaders from being role models or motivators for their subordinates. Leadership at the Tiganderket District Office tends to be administrative and has not yet demonstrated transformational characteristics such as providing motivation, individual attention, and encouraging innovation to employees. Leadership at the sub-district office refers to the sub-district head's role and function as a leader at the sub-district level, responsible for governance, coordination, and public services. The sub-district head has the authority delegated by the Regent/Mayor to carry out some regional autonomy matters and general government duties. Organizational culture is a set of basic assumptions and beliefs held by members of an organization, then developed and passed on to overcome external adaptation problems and internal integration problems (Mingaleva et al., 2022). Employee performance is a measure of an individual's success in achieving organizational goals. By understanding and assessing employee performance, organizations can identify strengths and weaknesses, provide feedback, and develop their potential. Work quality is a measure of how well an employee does what he or she is supposed to do (Forson et al., 2021). Quality work is essential for employees to perform their duties effectively in every aspect. Good work quality positively impacts the achievement of organizational goals. Regular performance appraisals can shape character, and character development fosters consistent, appropriate attitudes and behaviors. This fosters habits or a culture that directly enhances organizational performance. High employee performance leads to the achievement of organizational goals (Siraj & Hågen, 2023). Conversely, declining employee performance results in work not being completed on time, which negatively impacts the organization's development and progress. The research gap with the results of a study conducted





with a study entitled the influence of performance assessment and work quality on career development and work achievement as an intervening variable in the department of agriculture, which states that work quality does not have a significant positive effect on work achievement. Entitled This study explores the influence of training and work motivation on employee performance, with work discipline as a mediating variable. Using purposive sampling, data were gathered from 110 employees of the Human Resources Bureau at Kementerian PPN/Bappenas between March and April 2023. The data were analyzed with SEM-PLS using SmartPLS 3.0 to test both the measurement (outer) and structural (inner) models (Siraj & Hågen, 2023). In connection with this research gap, this study uses work quality as an intervening or mediating variable in analyzing the influence of transformational leadership and organizational culture on employee performance.

LITERATURE REVIEW

Research Variables

A variable is anything in any form that a researcher determines to be studied to obtain information about it and then draw conclusions. A research variable is an object inherent to the subject. Research variables are used to identify and measure factors relevant to the research problem (Gurková et al., 2023). Research variables are used to explain or test the relationship between various elements being studied. Research variables are measurable traits, characteristics, or characteristics that vary within a study (Munnilari et al., 2024).

Employee Performance

Performance is the quantity or quality of work results of an individual or group within an





organization in carrying out their main tasks and functions, guided by established norms, standard operating procedures, criteria, and measures that apply within the organization (Yusuf Lis et al., 2022). Employee performance can be defined as the work results achieved by an individual or group within an organization in accordance with their authority and duties (Rahmadila, 2021). It is the result of an individual's work within an organization. Performance is the result of what employees do or don't do. Employee performance is how much employees contribute to the company, including output quantity, output quality, timeframe, workplace attendance, and cooperative attitude. Employee performance is the result produced by a specific job function or activity within a specific job over a specific period, demonstrating the quality and quantity of that work (Harits & Bhagya, 2021).

Transformational Leadership

Transformational leadership is a leadership style that embraces the participation or opinions of others. Transactional leadership is an exchange process that can lead followers to follow the leader but fails to inspire enthusiasm and commitment to shared goals. Transformational leaders prioritize the overall reactualization of their followers and their organization rather than providing top-down instructions, meaning a top-down approach, where decision-making is carried out by the government and then communicated to the people. Furthermore, transformational leaders position themselves as mentors willing to accommodate the aspirations of their subordinates (Rahmadila, 2021). Transformational leadership is characterized by foresight and the ability to identify environmental changes and transform these changes within the organization. It pioneers change and motivates and inspires individual employees to be creative and innovative, bringing innovation to management performance, and being courageous and responsible in leading and controlling the organization. Transformational leadership theory





is based on weber's study of charismatic leadership, which argued that the authority of charismatic leaders depends on extraordinary qualities that distinguish them from others (Maran, 2025).

Organizational Culture

Organizational culture is a fundamental aspect that shapes the character and behavior of individuals and groups within an organization (Kim & Jung, 2022). As a unique configuration of norms, values, and beliefs, organizational culture creates a distinctive identity that influences how an organization addresses challenges, makes decisions, and interacts with its internal and external environments. A strong culture can drive organizational performance by creating goal alignment between individuals and the organization (Somwethee et al., 2023). Organizational culture is a pattern of basic assumptions invented, discovered, or developed by a particular group as it adapts to external challenges and internal integration. This pattern has worked well enough to be considered valuable and, therefore, is taught to new members as the correct way to perceive, think, and feel in relation to those challenges (Somwethee et al., 2023). Organizational culture is defined as a pattern of shared basic assumptions learned by a group within an organization as a tool for solving its problems of external adjustment and internal integration. This pattern has been proven valid (Mutonyi et al., 2022).

Work Quality

Work quality is the work performed by human resources that produces results that can be measured by the effectiveness and efficiency of the work performed, in accordance with the achievement of goals set by the organization or company. Work quality is the manifestation of behavior or activities carried out in accordance with expectations and needs, or goals to be





achieved effectively and efficiently (Junita et al., 2022). Work quality also influences job satisfaction. Indicators of work quality include personal potential, optimal work results, work processes, and enthusiasm. Employee work quality is also defined as employee attitudes and actions, including loyalty, honesty, leadership, cooperation, commitment, and contribution as employees.

METHODS

The context framework theoretically connects various research variables, namely the dependent or dependent variable (Y) with the independent or free variable (X) through the intervening or intervening variable (Z) which will be measured and observed through the research process. A hypothesis is a tentative answer that has not been proven true and will be further tested to determine whether the assumption is true or false. The research hypothesis is as follows: H1: Transformational leadership has a significant effect on work quality. H2: Organizational culture has an effect on work quality. H3: Transformational leadership has an effect on employee performance. H4: Organizational culture has an effect on employee performance. H5: Work quality has an effect on employee performance. H6: Transformational leadership has an effect on work quality through employee performance. H7: Organizational culture has an effect on work quality through employee performance.



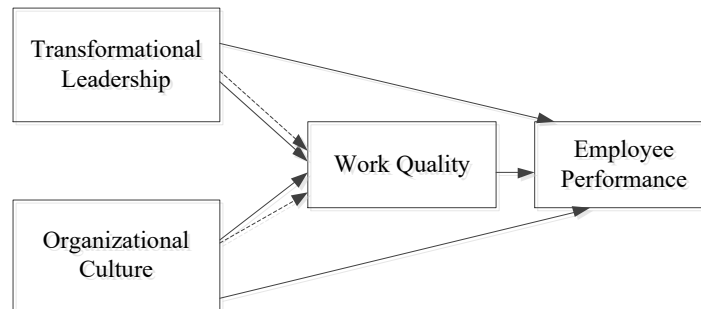


Figure 1. Conceptual Framework

This research is included in quantitative research with an associative approach. Quantitative research is a systematic and objective approach in data collection and analysis that involves the use of numerical data to gather and analyze valid and reliable information about a particular phenomenon or problem. Quantitative research is used to examine the relationship between variables based on numerical data analyzed statistically. Associative research is a type of research characterized by a problem in the form of cause and effect between two or more variables. The data obtained will be measured using a certain scale (for example, a Likert scale), then analyzed to determine the cause and effect relationship between variables. Variables are usually measured with research instruments so that data consisting of numbers can be analyzed using statistical procedures. In the context of quantitative research in the field of education, variables can be independent variables and dependent variables. An independent variable is a variable that influences or causes changes in another variable, while a dependent variable is a variable that is influenced by the independent variable. Indicators are measures or instruments used to operationalize variables so that they can be measured.

Population and Sample





A population has characteristics called parameters, while a sample has characteristics called statistics. A population is all the subjects of the research focus, consisting of a group of people, objects, or events that share certain characteristics that are being studied. The total population in this study was all 36 civil servants at the Tiganderket District Office. The sample was selected because it is often impossible or impractical to study the entire population, especially when the population is very large. Samples in quantitative research ensure the accuracy of the results and generalizability.

The sampling technique used in this study was simple random sampling, where the sample is drawn randomly from the population without regard to strata within the population. Simple random sampling ensures that the selected sample is representative of the population as a whole, as there is no bias in the selection. The total sample in this study was all 36 civil servants at the Tiganderket District Office.

Operational variables are research elements that explain how to define and measure a variable. Therefore, this operational definition provides scientific information that will assist other researchers who wish to use the same variable. Based on the hypothesis in the previous section, the research variables are grouped as follows as Independent variable: Transformational Leadership, as Independent variable: Organizational Culture, as Dependent variable: Employee Performance, and as Intervening variable: Work Quality.

The data collection techniques used in this study included observation, interviews, and literature review. The questionnaire was aimed at civil servants, first aid workers, and honorary employees of the Tiganderket Office in Karo Regency. The data analysis method for this study employed descriptive statistics, collecting and presenting data to provide useful information. Descriptive





and quantitative methods are used to describe or illustrate a phenomenon, event, symptom, or incident factually, systematically, and accurately. Quantitative descriptive methods describe the characteristics of a variable numerically (using numbers). The data analysis method used in this study was path analysis. This analysis is used to determine the direct and indirect effects of independent variables on dependent variables through intervening variables. The statistical analysis used the SEM PLS method. The following are the PLS analysis techniques:

1. Outer model analysis. Outer model analysis is conducted to ensure that the measurements used are valid and reliable. Several calculations are involved in this analysis having rule Convergent validity is the factor loading value of the latent variable with its indicators. The expected value is >0.7 . Discriminant validity is the factor crossloading value used to determine whether a construct has adequate discriminant power. This is done by comparing the value of the target construct; it must be greater than the value of the other constructs. Composite reliability is a measurement; if the reliability value is >0.7 , the construct has high reliability. Average Variance Extracted (AVE) is the average variance of at least 0.5. Cronbach's alpha is a calculation to verify composite reliability results, with a minimum value of 0.6.

2. Inner Model Analysis. This model analysis examines the relationships between latent constructs. Several calculations are used in this analysis having rule R-square is the coefficient of determination for the endogenous construct. According to Chin (1998) in Sarwono (2015: 30), "the criteria for defining the R-square value are divided into three classifications: 0.67 as substantial; 0.33 as moderate; and 0.19 as weak.", Effect size (F-square) to determine the model's goodness-of-fit. According to Chin (1998) in Ghazali (2015: 80), an F-square value of 0.02 indicates a small effect; 0.15 indicates a moderate effect, and 0.35 indicates a large effect at the structural level. Prediction relevance (Q-square), also known as Stone-Geisser's. This test is





conducted to determine the predictive capability of the resulting value. A value of 0.02 (small), 0.15 (medium), and 0.35 (large) is considered acceptable. This test can only be used for endogenous constructs with reflective indicators.

Path Analysis

Path analysis is used to measure the magnitude of the direct and indirect influences between independent, intervening, and dependent variables. Path analysis includes:

1. Calculating the multiple linear regression coefficients between the independent variables (X_1 : transformational leadership, X_2 : organizational culture) and the intervening variable (Z : Quality of Work). The independent variables and intervening variables are related to the dependent variable (Y : employee performance).
2. Calculating the direct and indirect influences: Direct influence = regression coefficient directly onto Y . Indirect influence = (coefficient from X to Z) \times (coefficient from Z to Y).

Hypothesis Testing

Determine the total influence, which is the sum of the direct and indirect influences. Hypothesis testing is the coefficient of determination test, the F statistic test and the t statistic test. Coefficient of determination test The coefficient of determination test (adjusted R square) aims to measure how much percentage of the ability of independent variables can explain the dependent variable. The range of percentage values of the coefficient of determination test results is in the range above zero percent to below 100%. F Test (Simultaneous Test) To see the effect of independent variables together (simultaneously) on the dependent variable, an F test is carried out. Based on the F test, if the calculated F value $>$ F Table and the significance value is





less than 0.05, it is concluded that simultaneously (simultaneously) the independent variables have a significant effect on the dependent variable. t Test (Partial Test) To see the effect of independent variables individually on the dependent variable, a t test is carried out. If the t-test results show a calculated t value $>$ t table and a significance value of less than 0.05, it is concluded that there is a significant influence on the dependent variable. The coefficient of determination (R²) essentially measures the model's ability to explain variations in dependent variables. The coefficient of determination value is between 0 and 1. The coefficient of determination (R²) is used to measure how far the model's ability to explain variations in dependent variables. If R² is getting bigger and closer to 1 (one), then the independent variables provide almost all the information needed to predict variations in dependent variables.

RESULTS

Respondents used as samples in this study were 36 employees of the Tiganderket Sub-district Office. Respondent characteristics were based on age, gender, education level, and length of service. Respondent characteristics based on age \leq 30 years were 2 people (5.56%), age 31 – 40 years were 10 people (27.78%), age 41 – 50 years were 11 people (30.56%), age 51 – 60 years were 13 people (36.11%). Respondent characteristics based on gender: 16 women (44.4%), 20 men (55.5%). Respondent characteristics based on educational level: 20 people (55.56%) had a bachelor's degree, 13 people (36.11%) had a high school/equivalent degree, and 3 people (8.33%) had a diploma. Based on the results of data processing, the respondents in this study were more likely to have a bachelor's degree. Respondent characteristics based on length of service: 18 people (50.00%) had 1–7 years of service, 13 people (36.11%) had 8–14 years of service, 3 people (8.33%) had 15–21 years of service, and 2 people (5.56%) had 22–30 years of





service. the respondents in this study were of productive age.

Descriptive statistical analysis was conducted on each research variable, namely organizational culture, work motivation, job satisfaction and employee performance. The descriptive statistical analysis provided is a description of the respondents' answers, namely employees of the Tiganderket District office. The determination of the interval class applied to all variables is: The lowest value of the scale is 1 and the highest value of the scale is 5. The class interval is $(5-1) / 5 = 0.80$. The results of the descriptive statistical analysis of the transformational leadership variable have an average score = 4.00 with a good category.

The results of the descriptive statistical analysis of the Organizational Culture variable have an average score = 3.94 with a good category. The results of the descriptive statistical analysis of the Employee Performance variable have an average score = 3.94 with a good category. The results of the descriptive statistical analysis of the Work Quality variable have an average score = 3.97 with a good category. PLS-SEM analysis consists of three main stages: measurement model analysis (outer model), structural model analysis (inner model), and hypothesis testing.

The Structural Model (Inner Model) contains four groups of latent variables and 44 manifest variables, which follow the reflexive indicator model. The exogenous variables in this study consist of two variables: Transformational Leadership, with 12 manifest variables measuring it, and Organizational Culture, with 12 manifest variables. The endogenous variables, on the other hand, consist of two components: Work Quality, measured by eight manifest variables, and Employee Performance, with 12 manifest variables measuring it. This stage focuses on the relationship between latent variables (constructs that cannot be measured directly) and manifest variables or indicators (questionnaires). The goal is to assess the validity and reliability of the





research instrument. The following is a representation of the measurement model for the Effect of Transformational Leadership and Organizational Culture on Employee Performance, mediated by Work Quality. Based on the results of the Calculate Algorithm, it shows that all indicators have an outer loading value greater than 0.5, which indicates that all indicators meet the requirements according to the minimum provisions.

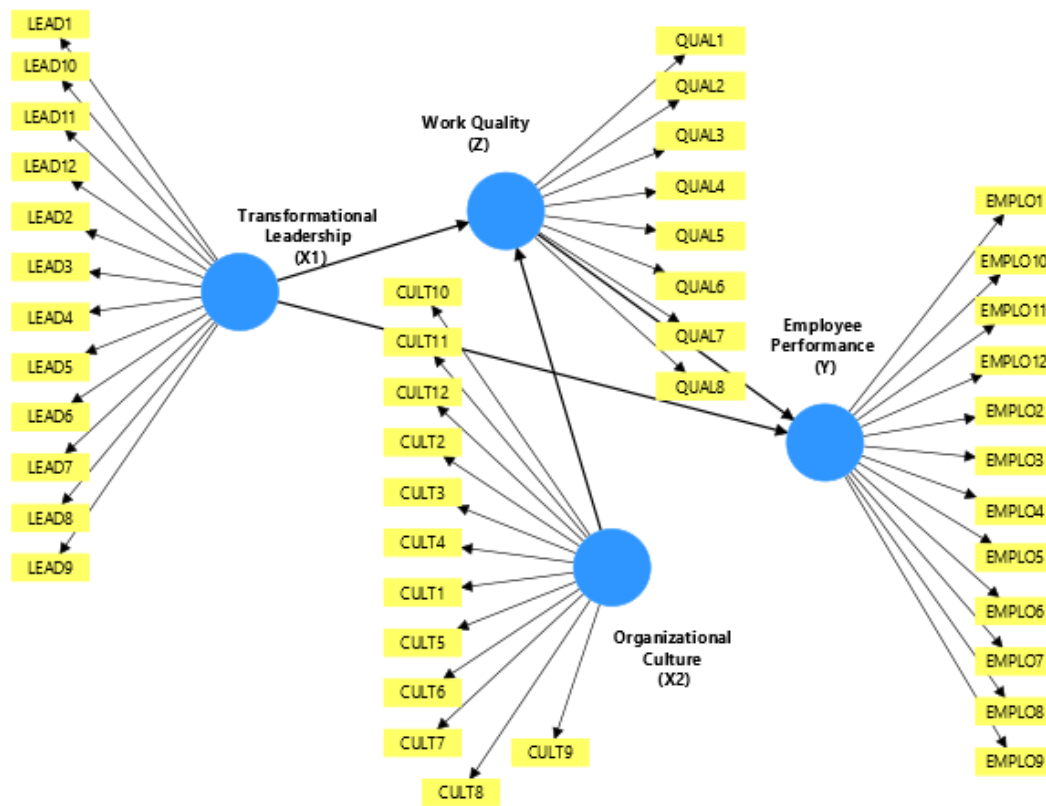


Figure 2. Structural Model PLS Algorithm





Measures how well the indicators measure the same latent variable. This is assessed by looking at the outer loading value or AVE (Average Variance Extracted). Convergent Validity is the factor loading value of the latent variable with its indicators. The expected value is >0.7 , seen from the outer loading and AVE (Average Variance Extracted) values. With the criteria, Outer loading >0.70 (ideal), with a minimum of 0.5 still considered. Outer Loadings (Loading Factor), The loading factor value must be ≥ 0.7 (or ≥ 0.6 for exploratory research). Questionnaire indicators 1 to 12 of the Transformational Leadership Instrument (X1) have loading factor values above 0.6, so all question items used are valid. Outer Loadings (Loading Factor), The loading factor value must be ≥ 0.7 (or ≥ 0.6 for exploratory research). Questionnaire indicators 1 to 12 of the Organizational Culture Instrument (X2) have loading factor values above 0.6, so all question items used are valid.

Outer Loadings (Loading Factor), The loading factor value must be ≥ 0.7 (or ≥ 0.6 for exploratory research). Questionnaire indicators 1 to 12 of the Employee Performance Instrument (Y) have loading factor values above 0.6, so all question items used are valid. Outer Loadings (Loading Factor), The loading factor value must be ≥ 0.7 (or ≥ 0.6 for exploratory research). Questionnaire indicators 1 to 12 of the Work Quality Instrument (Z) have loading factor values above 0.6, so all question items used are valid. AVE (Average Variance Extracted) measures the average variance that a construct can explain against its indicators. The validity criteria are met if the AVE value is above 0.50.

A matrix table showing the HTMT value between each pair of constructs. The HTMT criterion measures the correlation between constructs. Discriminant validity is met if the HTMT value between each pair of constructs is ≤ 0.90 . It measures how different a latent variable is from





another latent variable. This can be seen from the Fornell-Larcker or Cross-Loading criteria.

Table 1. Discriminant Validity Test Results

Indicators	Heterotrait-monotrait ratio (HTMT)
Transformational Leadership (X1) <-> Organizational Culture (X2)	0.827
Transformational Leadership (X1) <-> Organizational Culture (X2)	0.825
Employee Performance (Y) <-> Organizational Culture (X2)	0.881
Employee Performance (Y) <-> Transformational Leadership (X1)	0.634
Work Quality (Z) <-> Organizational Culture (X2)	0.493
Work Quality (Z) <-> Transformational Leadership (X1) 0.493	0.515
Work Quality (Z) <-> Employee Performance (Y) 0.515	0.827

The two main methods used are Cronbach's Alpha and Composite Reliability (CR) tests. The expected value for composite reliability is above 0.70, while for Cronbach's Alpha, a commonly used value is above 0.60. The two main methods used are Cronbach's Alpha and Composite Reliability (CR) tests. The expected value for composite reliability is above 0.70, while for Cronbach's Alpha, a commonly used value is above 0.60.

Table 2. Reliability Test Results

Indicator	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Organizational Culture	0.960	0.966	0.965	0.697
Transformational Leadership	0.976	0.978	0.979	0.793
Employee Performance	0.976	0.980	0.979	0.795
Work Quality	0.952	0.976	0.959	0.746





The processed data consists of four latent variables (constructs) measured by a number of indicators (manifest variables): Employee Performance indicators (12 Indicators), Transformational Leadership indicators (12 Indicators), Organizational Culture indicators (12 Indicators), and Work Quality indicators (8 Indicators). The VIF value of Organizational Culture (X2) with Work Quality (Z) is 2.560, meaning there is no multicollinearity problem. Still within safe limits. The VIF value of Transformational Leadership (X1) with Employee Performance (Y) = 1.357, meaning very good, there is no indication of multicollinearity. The VIF value of Transformational Leadership (X1) with Work Quality (Z) = 2.560 means Safe, does not exceed the threshold of 3.3. The VIF value of Work Quality (Z) with Employee Performance (Y) is 1.357, meaning Very good, There is no problem. So it can be concluded that all VIF values in this model are below 3.3, meaning there is no multicollinearity problem between constructs. The structural model you built is stable and statistically valid for further testing.

In path analysis, the path coefficient is a measure of the strength and direction of the direct relationship between the independent variable (cause) and the dependent variable (effect). The path coefficient can be positive or negative, indicating a unidirectional or inverse relationship, respectively. The t-value and p-value are used to test the significance of the path coefficient.

R-Square (R²) shows how much proportion of the endogenous (dependent) latent variable variance can be explained by the exogenous (independent) latent variable. The Organizational Culture Indicator has R-square = 0.765 and R-square adjusted = 0.751, the Transformational Leadership Indicator has R-square = 0.441 and R-square adjusted = 0.407, the Work Quality Indicator has R-square = 0.347 and R-square adjusted = 0.528. It can be concluded that the Model is quite good, the independent variables are significantly able to explain Employee





Performance (76.5%) and Work Quality (44.1%).

F-Square is used to measure the magnitude of the influence (effect size) of the independent variable on the dependent variable in the model. F-Square Model Test Results for Organizational Culture_(X2) -> Work Quality_(Z) = 0.318, F-Square for Transformational Leadership_(X1) -> Employee Performance_(Y) = 2.091, F-Square for Transformational Leadership_(X1) -> Work Quality_(Z) = 0.058, F-Square for Transformational Leadership_(X1) -> Work Quality_(Z) = 0.058, F-Square for Work Quality_(Z) -> Employee Performance_(Y) = 0.035.

Prediction Relevance Test Results (Q Square): A Q² value greater than zero (>0) indicates that the model has good predictive relevance. The Q² value for Performance (0.219) indicates that the model has good predictive relevance in predicting the Performance variable. This means that 21.9% of the variation in the research data can be explained by the research model used. Meanwhile, the remaining 78.1% is influenced by factors not included in the research model. The Q² value for Work Quality (0.407) indicates that the model also has good predictive relevance for the Quality variable. Overall, the model has solid predictive ability for both Performance and Quality variables. This means that 40.7% of the variation in the research data can be explained by the research model used. Meanwhile, the remaining 59.3% is influenced by factors not included in the research model. This study has good goodness of fit, with most of the variation in the data being explained by the model. This indicates that the research model is quite effective in explaining and predicting the data used in this study.

Results of Mediation Path I Test that is For the mediation path Transformational Leadership -> Work Quality -> Employee Performance, Original Sample (O) = 0.290 is obtained, meaning this value is the mediation path coefficient, also known as the indirect effect. The value of 0.290





indicates the strength of the indirect relationship from Transformational Leadership to Employee Performance through Work Quality. The T Statistics value = 2.846 > 1.96 means a significant effect at the 95% confidence level.

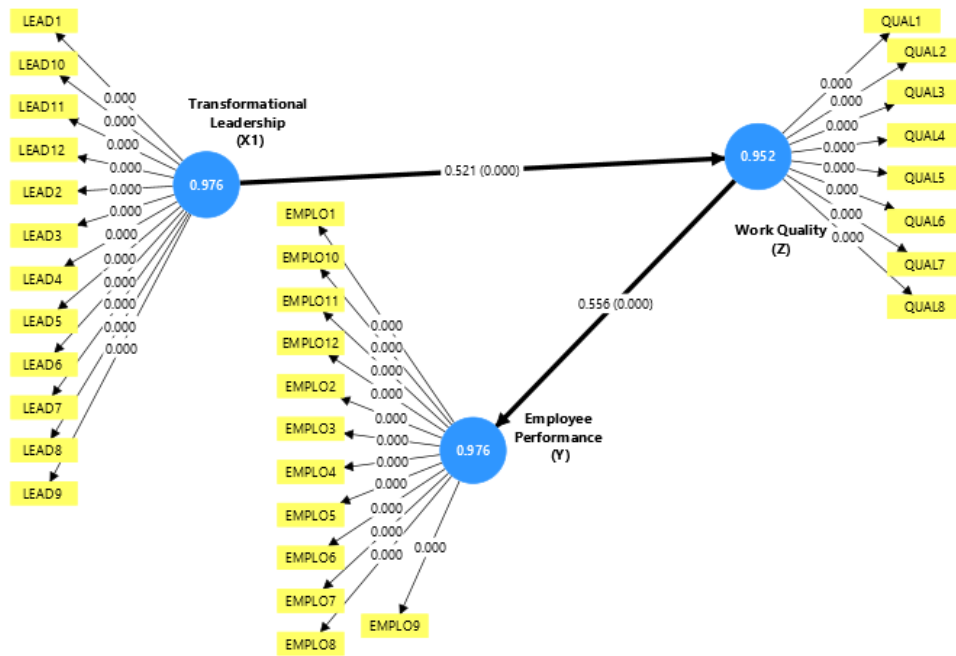


Figure 3. Structure of Mediation Model I

It can be concluded that there is a significant indirect influence of Organizational Culture on Employee Performance through Work Quality, meaning that Work Quality acts as a mediator. A positive organizational culture can improve employee work quality, and this improvement in work quality will significantly improve employee performance.





Results of Mediation Path II Test The Original Sample (O) value is 0.440. This is the coefficient value of the indirect effect of Organizational Culture on Employee Performance through Work Quality. This means that Organizational Culture indirectly influences employee performance with a contribution of 0.440, through improving work quality. T Statistics = 4.290. This calculated t value is greater than 1.96, which means it is significant at the 95% confidence level, and is significant at the 99% level because it is greater than 2.58. P Value: 0.000, this P value is smaller than 0.05, even <0.001 , which confirms that this indirect effect is statistically significant. It can be concluded that there is a significant indirect effect of Organizational Culture on Employee Performance through Work Quality, meaning that Work Quality acts as a mediator. A positive organizational culture can improve employee work quality, and this improvement in work quality will significantly improve employee performance.



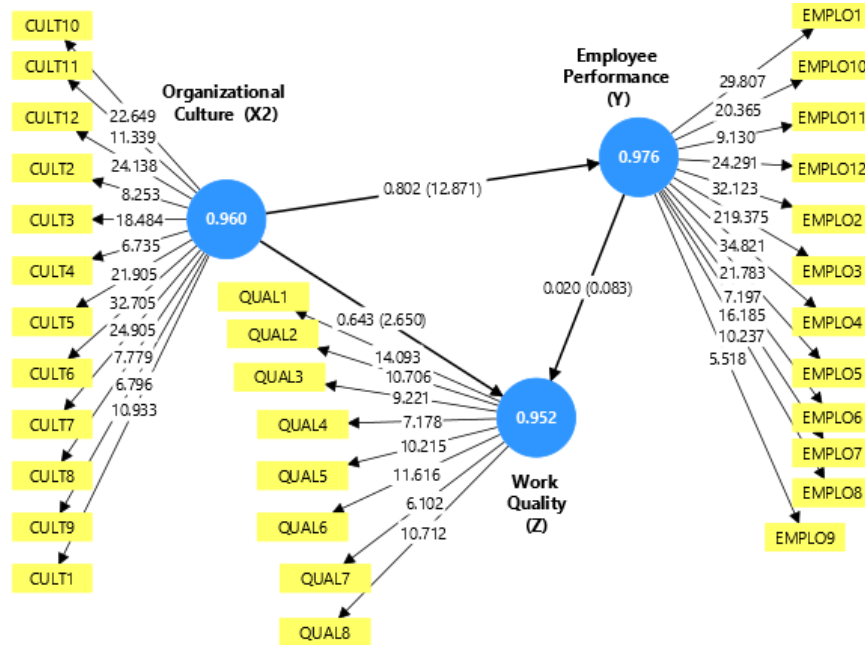


Figure 4. Structure of Mediation Model II

Organizational Culture has a very strong and significant direct influence on Employee Performance. Work Quality also has a strong and significant direct influence on Employee Performance. Although this model does not explicitly show the path from Organizational Culture to Work Quality, the overall results indicate that Organizational Culture and Work Quality are very important predictors of Employee Performance.





DISCUSSION

The Influence of Transformational Leadership on Employee Performance through Work Quality. This hypothesis tests the indirect influence of Transformational Leadership on Employee Performance through Work Quality as a mediating variable. The value of $O = 0.290$, $T = 2.846$, $P = 0.004$ indicates that there is a significant indirect (mediation) influence from transformational leadership on employee performance through work quality. The p-value is 0.004, which is smaller than 0.05. This indicates that the indirect influence is significant. The coefficient value (O) is 0.290, which means that Transformational Leadership has a positive influence on Employee Performance through Work Quality. Based on the data in the table provided, Work Quality has a role as an intervening variable between Transformational Leadership and Organizational Culture on Employee Performance. In the context of statistical analysis, when the t-statistic value for these two variables exceeds the t-table, it can be concluded that Work Quality acts as a significant mediating variable and has a positive influence on the relationship between Transformational Leadership and Organizational Culture on Employee Performance. The Effect of Transformational Leadership on Employee Performance through Work Quality. Based on $O = 0.440$, $T = 4.290$, $P = 0.000$. Organizational culture also has an indirect and significant influence on employee performance through work quality. The hypothesis tests the indirect influence of Organizational Culture on Employee Performance through Work Quality. The p-value is 0.000, indicating that the indirect influence is significant. The coefficient (O) is 0.440, indicating that Organizational Culture has a positive influence on Employee Performance through Work Quality. Overall, all relationships tested in this table have a p-value less than 0.05, indicating that all influences and relationships between variables are statistically significant. Transformational





Leadership and Organizational Culture have a strong positive influence, both directly and indirectly through Work Quality, on Employee Performance. All relationships are significant ($P < 0.05$). Transformational leadership and organizational culture have a direct and indirect influence on employee performance. Work quality acts as a mediating variable that strengthens the influence of X1 and X2 on Y.

CONCLUSION

The results indicate that transformational leadership has a significant positive effect on employee performance ($O = 0.526$, $T = 5.651$, $P = 0.000$) and a very strong positive effect on work quality ($O = 0.873$, $T = 18.218$, $P = 0.000$). Organizational culture also shows a significant positive influence on both work quality ($O = 0.666$, $T = 8.053$, $P = 0.000$) and employee performance ($O = 0.816$, $T = 16.609$, $P = 0.000$). Furthermore, work quality significantly enhances employee performance ($O = 0.553$, $T = 5.562$, $P = 0.000$). The findings demonstrate that work quality functions as a significant mediating variable between transformational leadership, organizational culture, and employee performance. Specifically, transformational leadership positively influences employee performance through work quality, with an indirect effect of $O = 0.290$, $T = 2.846$, and $P = 0.004$, indicating a significant mediation. Similarly, organizational culture shows a strong indirect effect on employee performance through work quality, with values of $O = 0.440$, $T = 4.290$, and $P = 0.000$, confirming its significance. These results highlight that both transformational leadership and organizational culture enhance employee performance not only directly but also indirectly by improving work quality, which serves as a crucial intervening factor in strengthening performance outcomes. These findings demonstrate that transformational leadership and organizational culture play crucial roles in improving both work quality and employee performance, with work quality itself contributing significantly to overall performance





outcomes. The study concludes that transformational leadership and organizational culture significantly and positively influence both work quality and employee performance. Moreover, work quality itself has a strong positive impact on employee performance. These findings highlight that effective leadership practices and a supportive organizational culture are essential in enhancing work quality, which in turn contributes to improved overall employee performance.

LIMITATION

This study has several limitations. First, data were collected only from employees at a single government agency, which may limit the generalizability of the findings to other agencies or sectors. Second, the use of purposive sampling and self-reported questionnaires may introduce bias, as responses may be influenced by personal perceptions or social desirability. Third, the cross-sectional study design only captures relationships at a single point in time, making it difficult to establish long-term causal effects. Finally, this study focused solely on transformational leadership, organizational culture, work quality, and employee performance, while other potential factors such as job satisfaction, organizational commitment, or external environmental influences were not included. The use of probability-based sampling techniques can help reduce potential bias and provide a more representative picture of employee perceptions. A longitudinal research design is also recommended to better capture the causal relationships between leadership, organizational culture, work quality, and employee performance over time. Furthermore, future research could integrate other relevant variables such as job satisfaction, organizational commitment, employee engagement, or external environmental factors to provide a more comprehensive understanding of the determinants of employee performance.





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