

## THE EFFECT OF LEADERSHIP AND ORGANIZATIONAL COMMITMENT ON EMPLOYEE PERFORMANCE MEDIATED BY ORGANIZATIONAL CULTURE (A STUDY AT PT. BPR KERTIAWAN)

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### Abstract:

This study aims to analyze the effects of leadership and organizational commitment on employee performance, with organizational culture serving as a mediating variable at PT BPR Kertiawan. The background of this study is the consistent failure to meet credit disbursement targets since 2020, which indicates underlying issues in employee performance. This research employs a quantitative approach using a survey of employees at PT BPR Kertiawan. Data were analyzed using path analysis through Partial Least Squares (PLS). The results indicate that leadership and organizational commitment have a positive and significant effect on employee performance. In addition, organizational culture has a positive and significant effect on employee performance and is significantly influenced by leadership and organizational commitment. Furthermore, organizational culture has been shown to mediate the effects of leadership and organizational commitment on employee performance. These findings suggest that employee performance can be improved through effective leadership, strengthened organizational commitment, and a supportive organizational culture. This study is expected to contribute theoretically to the development of human resource management literature and provide practical implications for regional banking management in enhancing sustainable employee performance.

**Keywords:** Leadership, Organizational Commitment, Organizational Culture, Employee Performance.

## INTRODUCTION

The increasingly competitive banking industry requires banks to deliver financial products and services efficiently to achieve organizational objectives. Such performance is largely determined by the quality of human resources, particularly banking employees who possess adequate knowledge, competencies, and professionalism in carrying out service functions, operational activities, and banking risk management. The sector experiencing rapid growth amid intense competition is the banking sector, especially the expansion of Rural Banks (BPRs) (Lestari et al., 2022). One of the financial service providers in Bali is Bank Kertiawan, which operates under the principles of financial inclusion and offers a wide range of banking products and services to the community. Bank Kertiawan envisions becoming one of the top three banks in Bali and being recognized by all stakeholders as a bank that delivers excellent service.

The achievement of a company's vision is closely linked to the performance of its employees. Suboptimal employee performance may hinder the realization of organizational objectives, as reflected in the company's inability to fully achieve its targets since 2020, particularly in credit distribution. The observed performance indicates that employees have not yet fully met organizational expectations regarding productivity, service quality, and contributions to corporate



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growth. It is consistent with Christiadi (2020), who argues that good performance is characterized by employees' ability to achieve work targets, deliver high-quality services, and create added value for the organization, whereas poor performance may lead to declines in productivity, customer satisfaction, and corporate profitability.

Employee performance serves as a critical pillar for organizations in achieving their planned objectives and is therefore a major focus of managerial attention (Aryani et al., 2025). The concept of employee performance refers to the manner in which individuals carry out their tasks in the workplace, encompassing an evaluation of the extent to which employees meet or exceed the expectations, duties, responsibilities, and goals established by the organization. Employee performance is influenced by factors such as leadership style, organizational commitment, and organizational culture.

Leadership style refers to the ability to exert a constructive influence on others or to collaborate effectively to achieve predetermined goals, organizing people and teams, and setting goals to turn plans into reality (Silalahi & Astrika, 2025). An effective leadership style motivates employees to work optimally and efficiently, thereby enhancing job satisfaction and ultimately contributing to the achievement of organizational objectives. Leadership is a critical determinant of organizational success, as each leader exhibits distinct patterns in guiding, directing, and optimizing employee potential within the work environment. Leadership style reflects the behaviors and approaches leaders use to influence subordinates' attitudes and behaviors in pursuit of organizational goals. Empirical studies by Baihaqi & Saifudin (2021), Fauzan et al. (2023), Nelson et al. (2023), Yudiarto & Nurmansyah (2023), and Anggita & Siregar (2024) conclude that leadership style has a positive and significant partial effect on employee performance. Another factor influencing employee performance is organizational commitment. In contrast, studies conducted by Rahayu (2022), Naufal (2024), and Umlati et al. (2025) report that leadership style does not have a significant effect on employee performance.

Effective leadership plays a strategic role in shaping and strengthening organizational culture. Leaders who adhere to core organizational values, such as integrity and innovation, function not only as strategic decision-makers but also as role models who internalize these values into everyday work practices. By fostering an inclusive work environment and promoting open communication, leaders can cultivate a culture of trust and collaboration that enhances employee engagement. The provision of rewards and recognition for performance further reinforces an organizational culture that values both individual and team contributions. Moreover, leadership that encourages adaptability, innovation, and fair decision-making fosters an organizational culture that is responsive to change and upholds a strong sense of justice. These findings are consistent with previous studies by Hamsal (2021), Kusumah (2022), Dinarwati (2021), Retnaningtyas et al. (2022), and Airyq et al. (2023), which demonstrate that leadership has a positive and significant influence on organizational culture.

In addition, organizational commitment is a key factor in high employee performance. Organizational commitment is a psychological construct that characterizes the relationship between organizational members and their organization and influences individuals' decisions to remain part of the organization. High organizational commitment positively affects employees by enhancing job satisfaction, work motivation, and performance, and by strengthening their intention to remain with the organization. Organizational commitment is an important aspect that warrants managerial attention, as it is closely associated with employee performance. Employees with strong organizational commitment tend to perceive organizational goals as aligned with their personal objectives and feel a strong sense of responsibility to strive for their achievement (Windari & Rini,



2021). Empirical studies by Wijaya (2020), Rembet et al. (2020), Kristian & Ferijani (2020), Pusparani (2021), and Novitasari & Putra (2023) consistently demonstrate a significant positive relationship between organizational commitment and employee performance. In contrast, studies conducted by Dwijayanthi et al. (2021) and Suhardi et al. (2021) report that organizational commitment does not have a significant effect on employee performance.

Organizational commitment plays a pivotal role in shaping a positive organizational culture, which in turn supports the achievement of organizational goals. Commitment to the organization's core values and principles is reflected in the establishment of consistent, harmonious, and goal-oriented work patterns. Furthermore, organizational concern for employee welfare and development enhances employee engagement and job satisfaction, while commitment to innovation and change fosters a work environment that is adaptive to new ideas. Commitment to leadership development and the provision of performance-based recognition further strengthen an organizational culture that values employee contributions and achievements. A strong organizational culture, resulting from sustained organizational commitment, ultimately increases employee loyalty and retention and serves as a foundation for long-term organizational performance sustainability. These findings are supported by studies by Ellys & Ie (2020), Hamsal (2021), Wiharyanto (2022), Parinding et al. (2024), and Padmadani & Achmad (2024), which confirm that organizational commitment positively affects organizational culture.

Organizational culture is another factor that influences employee performance. Organizational culture is a set of beliefs and values that serves as the core philosophy held by members of an organization in carrying out organizational activities. Organizational culture is the shared values and beliefs that underlie a company's identity (Nuraini, 2022). Organizational culture requires recognition, creation, and development to build an effective, efficient organization aligned with the desired vision and mission. Some research findings include those by Sapitri & Pancasasti (2022), Kusumaningrum et al. (2022), Nuraini (2022), Afnita & Handayani (2022), Artha et al. (2022), and Rosdiana et al (2023), who concluded that organizational culture has a significant positive effect on employee performance. However, organizational culture not only influences employee performance directly but also serves as a mediating variable, strengthening the relationship between managerial factors, such as leadership style, and employee performance. A strong organizational culture can translate leadership values, directions, and policies into employee behavior, thereby encouraging continuous performance improvement. Based on the explanation above, the title of this study is *The Influence of Leadership and Organizational Commitment on Employee Performance Mediated by Organizational Culture*.

**Employee Performance.** According to Sinambela and Sinambela (2019:11), employee performance reflects an employee's ability to carry out specific duties and responsibilities in accordance with the competencies possessed. Employee performance is a crucial aspect for organizations because performance evaluation enables management to assess employees' ability to complete assigned tasks. Therefore, organizations need to establish clear, measurable, and mutually agreed-upon performance criteria as a basis for evaluating employee achievement. Employee performance is the work outcomes achieved by individuals or work teams within an organization to attain organizational objectives within a specified period. In this study, employee performance is measured using several indicators proposed by Nisa et al. (2018), namely the quantity of work produced, the quality of work outcomes, timeliness in task completion, the level of effectiveness in resource utilization, and employee attendance in fulfilling assigned duties and responsibilities.

**Leadership.** Hasibuan (2017:170) states that leadership style refers to the manner in which a leader influences subordinates in order to encourage work motivation, enhance job satisfaction, and



achieve optimal productivity levels to maximize the attainment of organizational goals. Leadership plays a dominant and strategic role in improving performance at the individual, group, and organizational levels. An effective leader applies an appropriate leadership style to achieve organizational objectives optimally (Putra, 2022).

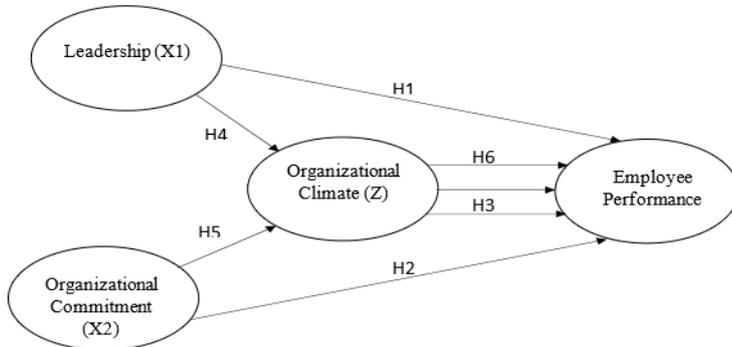
Leadership refers to a leader's style, namely the approach used to interact with and influence subordinates so that they are willing to cooperate and work productively toward achieving organizational goals. Leadership reflects a leader's ability to direct, guide, and coordinate employees. The indicators of leadership style employed in this study are based on Sari & Putra (2019), which include the leader's ability to make decisions, motivate subordinates, communicate effectively, exercise control over subordinates, and manage emotions in carrying out leadership roles.

**Organizational Commitment.** Yusuf & Syarif (2018:32) define organizational commitment as an employee's loyalty toward the organization, reflected in the intention to remain a member, the willingness to contribute to achieving organizational goals, and a low intention to leave. Organizational commitment is the psychological attachment of employees to the organization, fostering a sense of responsibility, involvement, and a willingness to deliver optimal performance. Employees with a high level of organizational commitment tend to exhibit positive work behaviors, such as discipline, responsibility, and alignment between individual and organizational goals, thereby contributing to sustained performance and organizational stability.

Organizational commitment is also defined as the extent to which an employee identifies with a particular organization, accepts its values and objectives, and expresses a desire to remain a member of the organization (Andayani & Soehari, 2019). Organizational commitment reflects employees' emotional attachment to and belief in the organization's values. In this study, organizational commitment is measured using indicators proposed by Hayati et al. (2020), namely affective commitment, which describes employees' emotional attachment to the organization; normative commitment, which reflects a sense of obligation to remain with the organization; and continuance commitment, which relates to employees' considerations of the costs and benefits associated with leaving the organization.

**Organizational Culture.** Sedarmayanti (2017:347) explains that organizational culture represents an effective framework formed by attitudes, values, behavioral norms, and shared expectations that are embraced and experienced by all members of the organization. Meanwhile, Djunaedi (2017:49) conceptualizes organizational culture as a system of shared values and beliefs that relates to individuals, organizational structures, and systems, functioning as a guideline for shaping work norms and behaviors within the company.

Organizational culture is further defined as an effective framework comprising attitudes, values, behavioral norms, and shared expectations adopted and experienced by organizational members in carrying out their work activities (Sedarmayanti, 2017:347). Organizational culture serves as a behavioral guideline that influences how employees think, behave, and act within the organization. In this study, organizational culture is measured using indicators proposed by Wijaya et al. (2018), which include innovation and risk-taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, and organizational stability.



**Figure 1.** Framework

Based on a conceptual framework supported by relevant theoretical and empirical evidence, this study formulates several hypotheses to examine the relationships among the research variables. Leadership and organizational commitment are considered managerial and psychological factors that may influence employee performance, both directly and indirectly through the formation of organizational culture. In this context, organizational culture functions as an internal mechanism that can strengthen or transmit the effects of leadership and organizational commitment on employee performance. Accordingly, the hypotheses proposed in this study are as follows:

- H1: Leadership has a positive effect on employee performance.
- H2: Organizational commitment has a positive effect on employee performance.
- H3: Organizational culture has a positive effect on employee performance.
- H4: Leadership has a positive effect on organizational culture.
- H5: Organizational commitment has a positive effect on organizational culture.
- H6: Organizational culture mediates the effect of leadership on employee performance.
- H7: Organizational culture mediates the effect of organizational commitment on employee performance.

**METHODS**

This study employs a quantitative research approach and was conducted at Bank Kertiawan, located at Jl. Prof. Dr. Ida Bagus Mantra, Kesiman Kertalangu, East Denpasar District, Denpasar City, Bali 80237, Indonesia. This research examines the effects of leadership and organizational commitment on employee performance, with organizational culture as a mediating variable. Data were collected using a structured, closed-ended questionnaire distributed to all employees of the organization. Given the relatively small population, a saturated sampling approach was used, yielding 78 respondents. Hypothesis testing was subsequently conducted using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach, supported by SmartPLS 3.0.

**RESULT AND DISCUSSION**

**Validity and Reliability Test Results.** The results of the validity and reliability tests are presented in Table 1. The validity test indicates that all measurement items used in the research constructs meet the criteria for convergent validity, as evidenced by factor loadings exceeding the minimum threshold of 0.50. Accordingly, all 20 construct indicators employed in this study are considered valid and appropriate for further analysis.

**Table 1.** Validity Test Result

Organizational	Leadership	Employee	Organizational
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	Culture	Performance	Commitment
X1.1		0.854	
X1.2		0.848	
X1.3		0.828	
X1.4		0.824	
X1.5		0.845	
X2.1			0.786
X2.2			0.812
X2.3			0.864
Y1.1		0.808	
Y1.2		0.819	
Y1.3		0.778	
Y1.4		0.727	
Y1.5		0.821	
Z1.1	0.762		
Z1.2	0.755		
Z1.3	0.713		
Z1.4	0.736		
Z1.5	0.776		
Z1.6	0.775		
Z1.7	0.857		

The reliability test results presented in Table 2 report the Cronbach's alpha values. The findings indicate that the Composite Reliability (CR) values for all constructs are 0.70 or higher. It demonstrates that all measurement indicators consistently and reliably represent their respective latent constructs.

**Table 2.** Reliability Test Results

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
Organizational Culture	0.884	0.888	0.910
Leadership	0.895	0.896	0.923
Employee Performance	0.850	0.853	0.893
Organizational Commitment	0.758	0.760	0.862

**Hypothesis Test Results.** The results of the path analysis and significance testing are presented in Table 3. The effect of leadership on employee performance shows an original sample value of 0.198, with a t-statistic of 2.003 (> 1.960) and a p-value of 0.048 (< 0.05), indicating a positive and significant effect of leadership on employee performance. Therefore, the hypothesis is accepted. The effect of organizational commitment on employee performance yields an original sample value of 0.235, with a t-statistic of 2.472 (> 1.960) and a p-value of 0.015 (< 0.05). These results demonstrate that organizational commitment has a positive and significant effect on employee performance. Thus, the hypothesis is accepted. Furthermore, the effect of organizational culture on employee performance produces an original sample value of 0.546, with a t-statistic of 4.834 (> 1.960) and a p-value of 0.000 (< 0.05). This finding indicates that organizational culture has a positive and significant influence on employee performance. Accordingly, the hypothesis is accepted. The effect of leadership on organizational culture shows an original sample value of 0.359, with a t-statistic of 3.019 (> 1.960) and a p-value of 0.003 (< 0.05), indicating that leadership has a positive and significant



effect on organizational culture. Therefore, the hypothesis is accepted. Meanwhile, the effect of organizational commitment on organizational culture yields an original sample value of 0.613, with a t-statistic of 5.000 ( $> 1.960$ ) and a p-value of 0.000 ( $< 0.05$ ). These results confirm that organizational commitment has a positive and significant effect on organizational culture. Thus, the hypothesis is accepted. Regarding indirect effects, the influence of leadership on employee performance through organizational culture produces an original sample value of 0.196, with a t-statistic of 2.037 ( $> 1.960$ ) and a p-value of 0.044 ( $< 0.05$ ). This finding indicates that leadership has a positive and significant indirect effect on employee performance through organizational culture. Therefore, the hypothesis is accepted. Similarly, the indirect effect of organizational commitment on employee performance through organizational culture shows an original sample value of 0.334, with a t-statistic of 4.171 ( $> 1.960$ ) and a p-value of 0.000 ( $< 0.05$ ). These results demonstrate that organizational commitment has a positive and significant indirect effect on employee performance through organizational culture. Accordingly, the hypothesis is accepted.

Based on the results of the coefficient of determination test presented in the table above, the R-square value for the Organizational Culture variable is 0.794, with an adjusted R-square of 0.788. It indicates that 78.8% of the variance in organizational culture is explained by the independent variables in the research model, while factors outside the model explain the remaining 21.2%. These values suggest that the model has strong explanatory power for organizational culture. Meanwhile, for the Employee Performance variable, the R-square value is 0.837, and the adjusted R-square is 0.831. It implies that 83.1% of the variance in employee performance can be explained by the variables employed in this study, whereas other unexamined factors influence the remaining 16.9%. The high R-square values indicate that the research model has high accuracy and relevance in explaining the independent variables' influence on employee performance at BPR Kertiawan.

**Table 3.** Hypothesis Test Results

Effect		Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Dirrect	Leadership → Employee Performance	0.198	0.161	0.099	2.003	0.048
	Organizational Commitment → Employee Performance	0.235	0.242	0.095	2.472	0.015
	Organizational Culture → Employee Performance	0.546	0.565	0.113	4.834	0.000
	Leadership → Organizational Culture	0.359	0.399	0.119	3.019	0.003
	Organizational Commitment → Organizational Culture	0.613	0.570	0.122	5.000	0.000
Inderect	Leadership → Organizational Culture → Employee Performance	0.196	0.230	0.096	2.037	0.044
	Organizational Commitment → Organizational Culture → Employee Performance	0.334	0.318	0.080	4.171	0.000

**The Effect of Leadership on Employee Performance.** The analysis indicates that leadership has a positive and significant effect on employee performance; therefore, the research hypothesis is accepted. This finding suggests that the more effective the leadership implemented at PT BPR



Kertiawan, the higher the level of employee performance in carrying out their duties and responsibilities. Effective leadership plays a strategic role in enhancing employee performance by motivating appropriately, fostering a supportive work environment, and continuously supporting employee welfare and development. These conditions contribute to increased job satisfaction, loyalty, and organizational commitment, which ultimately lead to higher productivity and the optimal achievement of organizational goals.

Furthermore, effective leadership is reflected in open communication, the provision of work autonomy, and the facilitation of employee competency and career development, enabling employees to grow and contribute optimally to the organization. The findings of this study are consistent with prior research conducted by Baihaqi & Saifudin (2021), Fauzan et al. (2023), Nelson et al. (2023), Yudiarto & Nurmansyah (2023), and Anggita & Siregar (2024), which demonstrate that leadership has a positive and significant influence on employee performance. These studies emphasize that effective leadership styles, particularly those characterized by clear direction, motivation, and role modeling, can enhance work enthusiasm, productivity, and employee commitment, thereby improving both individual and organizational performance.

**The Effect of Organizational Commitment on Employee Performance.** The analysis indicates that organizational commitment has a positive and significant effect on employee performance; therefore, the research hypothesis is accepted. This finding suggests that higher levels of employee commitment to the organization are associated with better performance among employees of PT BPR Kertiawan. Strong organizational commitment encourages employees to demonstrate more productive, proactive, and responsible work attitudes in carrying out their duties and obligations. Employee attachment to the organization not only enhances the quality and quantity of work outcomes but also strengthens loyalty and reduces turnover intentions, thereby fostering a more conducive work environment.

Such conditions enable the organization to achieve its long-term objectives more effectively through the optimal contributions of highly committed employees. The findings of this study are consistent with prior research by Wijaya (2020), Rembet et al. (2020), Kristian & Ferijani (2020), Pusparani (2021), and Novitasari & Putra (2023), which report that organizational commitment positively and significantly influences employee performance. These studies emphasize that employees with high levels of organizational commitment tend to exhibit greater dedication, loyalty, and responsibility in performing their work, thereby motivating them to deliver optimal performance and support the sustainability of organizational performance.

**The Effect of Organizational Culture on Employee Performance.** The results of the analysis indicate that organizational culture has a positive and significant effect on employee performance; therefore, the research hypothesis is accepted. This finding suggests that a strong, structured, and supportive organizational culture significantly enhances employee performance at PT BPR Kertiawan. A positive organizational culture plays a strategic role in shaping employee behavior by internalizing values, norms, and work practices aligned with employees' needs and expectations. These conditions foster higher levels of motivation, dedication, and responsibility in carrying out work-related tasks.

Furthermore, an organizational culture that emphasizes collaboration and open communication promotes effective teamwork, innovation, and constructive idea exchange among employees. The work ethic developed through a culture that upholds integrity, discipline, and hard work not only improves productivity but also enhances the quality of work outcomes. A conducive organizational culture also strengthens employee loyalty, reduces turnover, and increases retention, as employees develop a sense of attachment and pride in the organization. These findings are



consistent with previous studies by Sapitri & Pancasasti (2022), Kusumaningrum et al. (2022), Nuraini (2022), Afnita & Handayani (2022), Artha et al. (2022), and Rosdiana et al (2023), which demonstrate that organizational culture has a positive and significant influence on employee performance. Accordingly, the better the organizational culture implemented, the more optimal employee performance becomes in supporting the sustainable achievement of organizational objectives.

**The Effect of Leadership on Organizational Culture.** The results of the analysis indicate that leadership has a positive and significant effect on organizational culture; therefore, the research hypothesis is accepted. This finding suggests that effective, communicative leadership styles can shape and strengthen a positive organizational culture at PT BPR Kertiawan. Effective leadership plays a strategic role in internalizing core organizational values, such as integrity and innovation, into employees' behavioral patterns and work practices. By fostering an inclusive work environment and promoting open communication, leaders can build a culture of trust and collaboration that encourages active engagement among all organizational members.

Furthermore, the provision of rewards and recognition for employee achievements reinforces an organizational culture that values both individual and team contributions. Leadership that encourages adaptability, innovation, and fair decision-making also plays a crucial role in developing an organizational culture that is responsive to change and upholds principles of fairness. Overall, effective leadership is a key driver of a motivating work environment that values employees and supports organizational sustainability. These findings are consistent with previous studies by Hamsal (2021), Kusumah (2022), Dinarwati (2021), Retnaningtyas et al. (2022), and Airyq et al. (2023), which report that leadership has a positive and significant influence on organizational culture. Accordingly, the more effective the leadership practices implemented, the stronger the organizational culture that develops through the internalization of expected values, norms, and work behaviors.

**The Effect of Organizational Commitment on Organizational Culture.** The results of the analysis indicate that organizational commitment has a positive and significant effect on organizational culture; therefore, the research hypothesis is accepted. This finding suggests that higher levels of employee commitment to the organization are associated with a stronger organizational culture at PT BPR Kertiawan. High organizational commitment is reflected in employees' alignment with the organization's core values and principles, which ultimately shapes consistent, harmonious, and goal-oriented work patterns. Commitment to employee welfare and development enhances employee engagement and job satisfaction, while commitment to innovation and change fosters a work environment that is adaptive and open to new ideas.

Moreover, organizational commitment to leadership development and the provision of rewards for employee contributions further strengthen an organizational culture that values achievement and accountability. A strong organizational culture, driven by sustained commitment, plays an important role in increasing employee loyalty and retention, thereby creating a solid foundation for organizational sustainability. These findings are consistent with previous studies by Ellys & Ie (2020), Hamsal (2021), and Wiharyanto (2022), which report that organizational commitment has a positive and significant influence on organizational culture. Accordingly, the higher the level of employee commitment to the organization, the stronger the internalization of values, norms, and work practices that serve as shared guidelines within the organizational environment.

**The Indirect Effect of Leadership on Employee Performance through Organizational Culture.** The results of the analysis indicate that leadership has a positive and significant effect on



employee performance through organizational culture, thereby confirming the research hypothesis. This finding suggests that effective leadership not only directly impacts employee performance but also exerts an indirect influence by strengthening organizational culture. In other words, good leadership enhances employee performance by first establishing a positive, consistent, and supportive organizational culture.

Organizational culture serves as a mediating variable that links leadership to employee performance. Alignment between leadership style and organizational culture, such as implementing participative leadership in a culture that promotes collaboration and open communication, encourages greater employee engagement and motivation. Conversely, a mismatch between leadership style and organizational culture may reduce leadership effectiveness. A positive, inclusive organizational culture facilitates the acceptance of empowering leadership styles, thereby optimizing leadership's impact on employee satisfaction and performance.

These findings are consistent with the study conducted by Thania et al. (2024) and Valentina & Setyawan (2025), which reported that leadership style has a positive and significant effect on employee performance through organizational culture. The study emphasizes that effective leadership plays a critical role in instilling organizational values, demonstrating exemplary behavior, and fostering a harmonious work environment, thereby shaping a productive and collaborative organizational culture. A strong organizational culture serves as a foundation for employees to work with discipline, responsibility, and a results-oriented mindset, thereby maximizing employee performance.

**The Indirect Effect of Organizational Commitment on Employee Performance through Organizational Culture.** The results of the study indicate that organizational commitment has a positive and significant effect on employee performance through organizational culture; the research hypothesis is accepted. This finding indicates that high employee commitment to the organization not only has a direct impact on performance improvement but also has an indirect effect by strengthening the organizational culture, which supports work productivity. In other words, organizational culture acts as a mediating variable, linking organizational commitment to employee performance.

A strong organizational culture aligned with organizational values can internalize employee commitment into productive, collaborative, and results-oriented work behavior. Highly committed employees tend to demonstrate loyalty, responsibility, and active involvement in supporting organizational goals. This condition strengthens a positive work culture, such as open communication, teamwork, and constructive problem-solving, which ultimately impacts employee performance.

This finding aligns with the research by Padmadani & Achmad (2024) and Parinding et al. (2024), which found that organizational commitment has a positive and significant effect on employee performance through organizational culture. This research confirms that high employee commitment can strengthen organizational culture as a foundation for developing disciplined, responsible, and results-oriented work behavior. Thus, the higher the employees' organizational commitment, the stronger the organizational culture that forms, enabling optimal, sustainable employee performance.

## CONCLUSION

Based on the results of the analysis and discussion presented in the previous chapters, the following conclusions can be drawn:



1. Leadership has a positive and significant effect on employee performance, indicating that the more effective the leadership style applied by the management of Yogyakarta BPR Kertiawan, the higher the level of employee performance in achieving work targets.
2. Organizational commitment has a positive and significant effect on employee performance, suggesting that employees with high loyalty and a strong sense of responsibility toward the organization tend to exhibit more optimal performance.
3. Organizational culture has a positive and significant effect on employee performance, implying that a supportive work environment, strong organizational values, and a sense of teamwork contribute to enhancing employee productivity.
4. Leadership has a positive and significant effect on organizational culture, signifying that effective leadership is capable of shaping a solid work culture oriented toward achieving shared organizational goals.
5. Organizational commitment has a positive and significant effect on organizational culture, meaning that the higher the employees' commitment to the organization, the stronger the adherence to values and norms within the work environment.
6. Leadership positively affects employee performance through organizational culture, indicating that organizational culture acts as a mediator that strengthens the impact of leadership on performance.
7. Organizational commitment positively affects employee performance through organizational culture, highlighting that organizational culture plays a crucial mediating role in enhancing the effectiveness of commitment on employee performance.

The recommendations presented by the researcher aim to guide future studies to be more comprehensive and to refine the findings of this research further. These recommendations include:

1. For the management of PT BPR Kertiawan, it is recommended to continuously enhance the quality of leadership through managerial and effective communication training to foster harmonious working relationships with employees. In addition, the organization should strengthen organizational commitment by fostering a supportive work environment, ensuring employee well-being, and consistently rewarding high-performing employees to increase their commitment to the company. Efforts to reinforce organizational culture are also essential, such as clearly defining the company's core values, promoting teamwork, and recognizing outstanding employees to maintain high work motivation.
2. For future research, it is advisable to incorporate additional variables, such as work motivation, job satisfaction, and work environment, to develop a more comprehensive research model. Future studies could also employ a mixed-method approach, including in-depth interviews, to gain a broader understanding of employees' perceptions of leadership and organizational culture. Furthermore, expanding the research to include other regional BPRs in Bali or across Indonesia would enhance the generalizability of the findings and provide a wider understanding of the factors influencing employee performance in the regional banking sector.

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