



(RESEARCH ARTICLE)



## The influence of competence, organizational commitment, and leadership on employee performance with organizational culture as an intervening variable in the air batu district government

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### Abstract

This study aims to analyze the influence of competence, organizational commitment, and leadership on employee performance with organizational culture as an intervening variable in the Air Batu District Government. The search method uses a quantitative approach with data collection techniques through questionnaires. The search sample consisted of all employees of the Air Batu District Government totaling 85 people using a saturated sampling technique. Data analysis using Structural Equation Modeling (SEM) with the help of Smart PLS software. The results of the study show that competence does not have a direct influence on employee performance, but has a significant effect on organizational culture. Leadership has a positive and significant influence on employee performance and organizational culture. Meanwhile, organizational commitment does not have a direct effect on employee performance but has a significant effect on organizational culture. Organizational culture, itself, does not have a significant influence on employee performance. In addition, the results of the analysis show that there is no significant direct influence of competence, leadership, and organizational commitment on employee performance through organizational culture. The R Square value for employee performance is 40.7%, showing that there are still 59.3% other factors that affect performance outside this research model. Meanwhile, the R Square value of organizational culture of 66.2% shows a strong predictive power for the independent variable tested.

**Keywords:** Competence; Organizational Commitment; Leadership; Organizational Culture

### 1 Introduction

The success of an organization, whether large or small, is not solely determined by the available natural resources, but is largely determined by the quality of human resources (HR) who play a role in planning, implementing and controlling the organization concerned [1]. Human Resources (HR) plays an important role in carrying out organizational or agency activities, be it government agencies or private agencies. Government employees in organizations are required to be able to make positive contributions through good performance, considering that organizational performance depends on employee performance. Employee performance, both individually and in groups, is very important for institutions in managing, regulating, managing, and using human resources so that they can function productively, effectively, and efficiently. Performance is the result of quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him [2].

The Air Batu District Government is an area located in Asahan Regency. Air Batu District consists of 12 villages. These government employees in Air Batu District have different educational backgrounds. This is a very good capital in order to provide the best service to the community because with a high educational background, employees will have a good level of knowledge and understanding of work. The achievement of the performance of the government apparatus is a reflection of the hard work of all employees in their environment. Performance shows that the results of human

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resource activities in the organization together bring the final result based on the quality level and standards that have been set. High performance demands have indeed become part of the organization, but in reality not all employees have high performance as expected by the organization. The following is attached to the performance data of government employees in Air Batu District for the period 2021 to 2023, namely:

**Table 1** Percentage of Employee Performance Data for the 2021-2023 Period

Year	Quality of Work		Accuracy of Getting Work Done	
	Target (%)	Realization (%)	Target (%)	Realization (%)
2021	100	84	100	90
2022	100	88	100	88
2023	100	92	100	93
Average	100	88	100	90.3

Source: Author (2024)

Based on the table, in terms of quality and quantity to assess the performance of the Air Batu District government apparatus, it can be seen that in achieving the realization of the program has not been fully realized. This is evidenced by the assessment aspect as shown in the table above. In addition, it has a cumulative assessment through indicators from the agency such as work quality, accuracy in completing monthly and annual work, employee initiatives, work ability, and employee communication with others and leaders. This is useful in improving the performance of employees in the government in Air Batu sub-district. Furthermore, human resource management is one of the important variables and a priority in an organization. Where human resource management is the driving force of the organization to achieve the planned organizational goals. In managing human resources in an organization, creative and innovative human characters are needed. So that it can create a good and competitive culture in managing the organization. Every organization has characteristics that distinguish it from other organizations, these characteristics become its identity. This characteristic is called organizational culture [3].

[4] stated that to improve employee performance, they must pay attention to the competence of their employees with the aim that the quality, quantity, and punctuality of work are maximally achieved. Competence is part of the work ability possessed by employees and is expected to meet the achievement of work targets and agency goals based on the vision and mission set by the agency in running the work system. Another factor that can affect employee performance is organizational commitment, where employees who instill commitment to the organization or their agency always want to be involved optimally in achieving organizational goals, so that it is very relevant and synchronized with improving employee performance [5]. According to [6] organizational commitment is a situation in which an employee takes sides with a particular organization and his goals and desires to maintain membership in the organization. The growth of organizational commitment can be seen from the extent of employee work involvement in a job, the higher the involvement or delegation of authority given, the higher the tendency to commit and the higher the performance it produces [7].

Indications of declining employee performance can also be influenced by organizational culture that contains values that must be understood, internalized and practiced together by individuals and groups involved in it. The culture that exists in an organization will affect the way employees work and behave and cause employees to have the same perspective in carrying out work activities. Based on the description above, the researcher found a study that is relevant to this study, namely "The Influence of Work Culture and Employee Commitment on Employee Performance of PT. Bank Mandiri Pulo Brayan Medan Branch", stated that work culture and employee commitment have a significant effect on employee performance [8]. The value of an organization can be seen from the value of its leaders, how leaders direct employees to be able to carry out their respective roles in contributing to the achievement of organizational performance [9]. Leadership is a social interaction where a leader seeks to get encouragement and full participation from his employees in order to achieve organizational goals. According to [10] leadership is a way for leaders to influence their subordinates, so that they are willing to work together and work productively to achieve organizational goals.

Organizational culture as an intervening variable, because the existence of organizational culture must exist in every organization, which of course is not always the same even though it is the same institution. [11] states that

organizational culture, organizational commitment are factors that are able to create better employee performance. According to [12] Organizational culture can be defined as a system of *values*, beliefs, assumptions, or norms that have been applied, agreed upon, and followed by the members of an organization as a guideline for behavior and organizational problem solving. There is a possibility that the organizational culture is not in accordance with the expectations of the organization's members. If that happens, then the possibility is that members no longer feel at home in the organization and have an impact on decreasing commitment to the organization [2]. Therefore, based on the description above, the author is interested in conducting a research entitled The Influence of Competence, Organizational Commitment, and Leadership on Performance with Organizational Culture as an Intervening Variable in Air Batu District Government Employees.

### **1.1 Employee Performance**

Performance can affect the ongoing activities of an organization in an institution, the better the performance shown by employees, the more helpful it will be in the development of the organization or an institution. An institution or organization always strives so that the work productivity of its employees can be improved so that employee performance can be owned well by each individual employee. According to [13] employee performance is the result of work performance and behavior that has been achieved in completing the tasks and responsibilities given in a certain period. According to [14] performance is the quality and quantity of results achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

### **1.2 Organizational Culture**

According to [15] organizational culture is the result of a process of diluting and fusing the cultural style or behavior of each individual that was previously brought into a new norm and philosophy, which has the energy and pride of the group in facing something and a certain goal. Schein from MIT, in stating that. Corporate culture as a basic assumption pattern discovered by a particular group, invented or developed to learn how to overcome external adaptation problems and ways of integrating, which have worked well or are considered applicable, and therefore must be taught to new members as the right to invite, think about, and formulate these problems. According to [16] in [17] explained that organizational culture functions to take care of employees so that they can have mastery of responding to the profession, adapt to colleagues and the environment, and act reactively with the rules that have been designed by their superiors.

### **1.3 Competence**

According to [18] competence is something that a person has in the form of knowledge, skills, and internal factors of his or her individual to be able to do a job based on the knowledge and skills possessed. The definition of competence is a fundamental factor possessed by a person who has more abilities that makes him different from a person who has average or ordinary abilities [19].

### **1.4 Organizational Commitment**

According to [20] organizational commitment is an attitude of employee loyalty to the organization, by staying in the organization, helping to achieve organizational goals and not having the desire to leave the organization for any reason. According to [6], employee commitment to the organization is the degree to which an employee is partial to a certain organization and its goals, and intends to maintain membership in a certain organization. In general, commitment involves the attachment of the individual to his or her own work. Work commitment reflects the degree of relationship that an individual is considered to have towards a particular job in an organization. Work commitment reflects the level of identification and involvement of individuals in their work of reluctance to leave work [3].

### **1.5 Leadership**

According to [10] leadership is a way for leaders to influence their subordinates, so that they are willing to work together and work productively to achieve organizational goals. According to [21] Leadership is defined as a process of influencing both thoughts, feelings, and behavior and directing all facilities to achieve common goals that have been set together.

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## **2 Research Methods**

This study uses a type of quantitative research with a causal associative approach that aims to determine the causal relationship between independent variables (competence, organizational commitment, and leadership), intervening variables (organizational culture), and dependent variables (employee performance). According to [22] quantitative research is research that aims to find out the relationship between two or more variables.

The research was carried out in the Air Batu District Government, Asahan Regency, North Sumatra. [22] states that population is a generalization area consisting of subjects and objects that have certain qualities and characteristics that are determined by the researcher to be studied and then to draw conclusions. The population in this study is all government employees in Air Batu District totaling 177 people. The determination of the number of samples using the Slovin formula with an error rate of 10% is as follows:

$$n = N / (1 + N.e^2)$$

$$n = 177 / (1 + 177 \times 0.1^2)$$

$$n = 177 / (1 + 1.77)$$

$$n = 177 / 2.77$$

$n = 63.89$  (rounded to 64 respondents)

The sampling technique uses *proportionate stratified random sampling*, where samples are taken proportionally based on the number of employees in each work unit in the Air Batu District Government. The type of data used in this study consists of primary data and secondary data. Primary data were obtained directly from respondents through questionnaires and interviews, while secondary data was obtained from documents, reports, and archives relevant to this study.

The data collection technique was carried out through a questionnaire, by distributing a list of written questions to respondents using a likert scale of 1-5. Interviews, to obtain supporting information related to research variables. Observation, by making direct observations of the research object. And documentation studies, to collect relevant secondary data.

The data analysis technique uses Partial Least Square-Structural Equation Modeling (PLS-SEM) with the help of SmartPLS 3.0 software. According to Imam [23], the PLS approach can directly measure and characterize latent (non-measurable) variables through the use of indicators. Because this research is latent and can be changed and quantified depending on the indicators. The stages of analysis include:

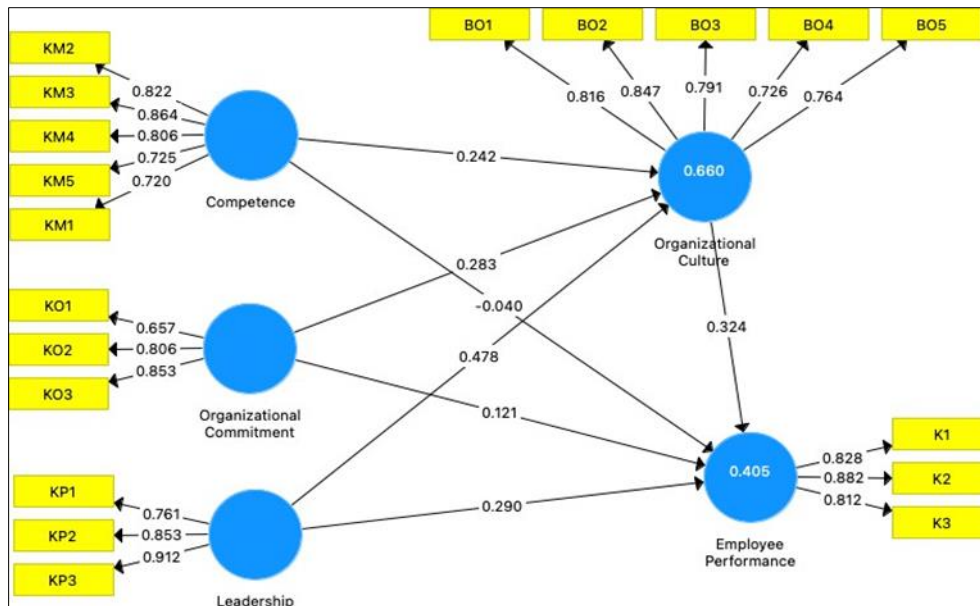
- Evaluation of the measurement model (outer model) to test the validity and reliability of the instrument
- Evaluation of the structural model (inner model) to test the relationship between variables
- Hypothesis testing by looking at t-statistical and p-value values
- Analysis of mediation effects to test the role of organizational culture as an intervening variable

The use of PLS-SEM was chosen because it has the ability to analyze latent variables with multiple indicators, as well as being able to analyze complex models with mediation effects.

### 3 Results

#### 3.1 Measurement Model Test (Outer Model)

The Measurement Model (Outer Model) test is a stage in the analysis of Partial Least Squares-Structural Equation Modeling (PLS-SEM) which aims to assess the validity and reliability of indicators in measuring latent constructs. Tests in the outer model include convergent validity tests (with Average Variance Extracted/AVE), discriminatory validity tests (with Fornell-Larcker Criterion or HTMT), and reliability tests (with Composite Reliability and Cronbach's Alpha).



Source: SmartPLS Data Processing, 2025

**Figure 1** Outer Model 1

### 3.1.1 Validity Test

The validity test aims to ensure that the indicators used actually measure the latent variables in question. The test can be done with Convergent Validity and Discriminant Validity to ensure the suitability of the indicators in the model.

#### Convergent Validity

The validity of convergence can be tested through the outer loading value, where the indicator is considered valid if it has a value  $\geq 0.7$ . If the outer loading value  $\leq 0.7$ , then the indicator does not meet the validity requirements and should be eliminated or revised.

**Table 2** Outer Loading 1

	Competence	Employee Performance	Leadership	Organizational Commitment	Organizational Culture
BO1					0.816
BO2					0.847
BO3					0.791
BO4					0.726
BO5					0.764
K1		0.828			
K2		0.882			
K3		0.812			
KM2	0.822				
KM3	0.864				
KM4	0.806				
KM5	0.725				
KO1				0.657	

KO2				0.806	
KO3				0.853	
KP1			0.761		
KP2			0.853		
KP3			0.912		
KM1	0.720				

Source: SmartPLS Data Processing, 2025

Based on the results of the convergent validity test shown in Table 3. Outer Loading 1, there is one indicator, namely KO1 (0.657), which has an outer loading value < 0.7, so this indicator needs to be eliminated because it does not meet the convergence validity criteria.

**Table 3** Outer Loading 2

	Competence	Employee Performance	Leadership	Organizational Commitment	Organizational Culture
B01					0.816
B02					0.847
B03					0.792
B04					0.724
B05					0.766
K1		0.827			
K2		0.883			
K3		0.812			
KM2	0.823				
KM3	0.864				
KM4	0.807				
KM5	0.725				
KO2				0.864	
KO3				0.904	
KP1			0.761		
KP2			0.853		
KP3			0.912		
KM1	0.720				

Source: SmartPLS Data Processing, 2025

After the elimination of the KO1 indicator which has an outer loading value of < 0.7, the results of the convergent validity test are shown in Table 4. Outer Loading 2 shows that all remaining indicators have met the convergence validity criteria with a ≥ value of 0.7.

**Discriminant Validity**

Discriminant Validity can be measured using the Average Variance Extracted (AVE) square root method based on the Fornell-Larcker Criterion table, where an indicator is considered valid if it has an AVE value > 0.5. The AVE value shows how much variation of the indicator is able to explain by the latent variable it is measuring.

**Table 4** Fornell-Larcker Criterion

	Competence	Employee Performance	Leadership	Organizational Commitment	Organizational Culture
Competence	0.790				
Employee Performance	0.289	0.841			
Leadership	0.365	0.578	0.844		
Organizational Commitment	0.332	0.453	0.495	0.884	
Organizational Culture	0.535	0.591	0.724	0.602	0.790

Source: SmartPLS Data Processing, 2025

The results of the validity discrimination test using the Fornell-Larcker Criterion show that each construct has a higher Average Variance Extracted (AVE) square root value compared to the correlation between other constructs in the model. This can be seen from the bold diagonal values, where Competence (0.790), Employee Performance (0.841), Leadership (0.844), Organizational Commitment (0.884), and Organizational Culture (0.790) are greater than the correlation values between other variables in the same row or column. Thus, it can be concluded that each construct in this study has good discriminatory validity.

#### Reliability Test

Reliability tests are carried out to be able to prove a consistent accuracy and precision in the instrument to measure the construct. In measuring this reliability, 2 methods can be used, namely Cronbach's alpha and Composite reliability.

**Table 5** Reliability Test Results

	Cronbach's Alpha	Composite Reliability	Information
Competence	0.850	0.892	Reliable
Employee Performance	0.794	0.879	Reliable
Leadership	0.796	0.881	Reliable
Organizational Commitment	0.722	0.877	Reliable
Organizational Culture	0.850	0.892	Reliable

Source: SmartPLS Data Processing, 2025

Based on Table 6, a construct is said to be reliable if it has a Cronbach's Alpha value of at least 0.70 and a Composite Reliability (CR) value of more than 0.50. Based on the results of the table, all constructs have met the reliability criteria, where the values of Cronbach's Alpha and Composite Reliability are above the set threshold, respectively.

### 3.2 Structural Model (Inner Model)

This study discusses the results of the analysis which includes *the path coefficient test*, *goodness of fit test*, and hypothesis test. The calculation process is carried out using the bootstrapping method, which is a reliable statistical technique in Structural Equation Modeling (SEM) analysis. This technique is used to overcome the constraints related to the assumption of normal distribution of data and provide more accurate estimation of model parameters.

#### 3.2.1 R Square (R<sup>2</sup>)

The coefficient of determination (R<sup>2</sup>) is useful for assessing or measuring how much endogenous construct can be explained by exogenous constructs. The value of the determination coefficient (R<sup>2</sup>) is expected to be between 0 and 1. R<sup>2</sup> values of 0.75, 0.50 and 0.25 indicate that the model is strong, moderate and weak [24].

**Table 6** R Square (R2)

	<b>R Square</b>	<b>R Square Adjusted</b>
<b>Employee Performance</b>	0.407	0.367
<b>Organizational Culture</b>	0.662	0.645

Source: SmartPLS Data Processing, 2025

Based on the results of the analysis, the R Square value for Employee Performance of 0.407 (40.7%) indicates a prediction level that is between weak and moderate, indicating that there are still around 59.3% of other variables outside the model that affect employee performance. Meanwhile, Organizational Culture has an R Square of 0.662 (66.2%) which indicates a stronger prediction level, exceeding the moderate category (0.50), but not reaching the strong category (0.75). This indicates that the model used for organizational culture has quite good predictive power, with around 33.8% influenced by other factors outside the model.

**3.2.2 F Square (Effect Size)**

F-Square is used to find out the merits of the model. The interpretation of the F-Square value is 0.02 (small/low), 0.15 (moderate), 0.35 (large/strong). The following are the results of the evaluation of the inner Model with F-Square (Effect Size).

**Table 7** F Square

	<b>Competence</b>	<b>Employee Performance</b>	<b>Leadership</b>	<b>Organizational Commitment</b>	<b>Organizational Culture</b>
Competence		0.001			0.174
Employee Performance					
Leadership		0.070			0.512
Organizational Commitment		0.017			0.156
Organizational Culture		0.057			

Source: SmartPLS Data Processing, 2025

Based on the results of F-Square's analysis, leadership has a moderate effect on employee performance (0.070) and a strong effect on organizational culture (0.512). Competence showed a low effect on employee performance (0.001) but moderate on organizational culture (0.174). Organizational commitment has a low effect on employee performance (0.017) and a moderate effect on organizational culture (0.156). Meanwhile, organizational culture showed a relatively low effect on employee performance (0.057). These findings indicate that leadership has the most dominant influence in the model, particularly on organizational culture.

**3.2.3 Hypothesis Test**

**Path Coefficient Test (Direct Effect)**

Path coefficient evaluation was carried out to measure the extent to which independent variables have an influence or effect on dependent variables. The criterion for the path coefficient value is that if the value is positive, then the influence of a variable on the variable it affects is unidirectional. And if the path coefficient value is negative, then the influence of one variable on another variable is in the opposite direction. The criterion for t-statistical value is >1.96 and a hypothesis can be said to be significant if the value of probability is P Value.



**Table 8** Path Coefficients

	Original Sample (O)	Sample Mean(M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Competence->Employee Performance	-0.030	-0.027	0.127	0.235	<b>0.814</b>
Competence->Organizational Culture	0.265	0.267	0.100	2.652	<b>0.008</b>
Leadership->Employee Performance	0.297	0.298	0.129	2.299	<b>0.022</b>
Leadership -> Organizational Culture	0.494	0.483	0.094	5.276	<b>0.000</b>
Organizational Commitment-> Employee Performance	0.125	0.135	0.112	1.115	<b>0.266</b>
Organizational Commitment-> Organizational Culture	0.269	0.277	0.094	2.870	<b>0.004</b>
Organizational Culture -> Employee Performance	0.317	0.315	0.176	1.797	<b>0.073</b>

Source: SmartPLS Data Processing, 2025

The following is a narrative of the results of the Path Coefficient test based on Table 7. Path Coefficients:

- The effect of competence on employee performance showed insignificant results with a path coefficient value of -0.030, a t-statistical value of 0.235 ( $< 1.96$ ), and a p-value of 0.814 ( $> 0.05$ ). This indicates that competence does not have a significant direct influence on the performance of employees in the Air Batu District Government.
- The relationship between competence and organizational culture showed significant positive results with a path coefficient value of 0.265, a t-statistical value of 2.652 ( $> 1.96$ ), and a p-value of 0.008 ( $< 0.05$ ). This indicates that the improvement of employee competence contributes significantly to strengthening the organizational culture in the Air Batu District Government.
- Leadership has a significant positive influence on employee performance with a path coefficient value of 0.297, a t-statistical value of 2.299 ( $> 1.96$ ), and a p-value of 0.022 ( $< 0.05$ ). These results show that effective leadership can directly improve the performance of employees in the Air Batu District Government.
- The influence of leadership on organizational culture showed very significant results with the highest path coefficient value of 0.494, t-statistical value of 5.276 ( $> 1.96$ ), and p-value 0.000 ( $< 0.05$ ). This indicates that leadership has a very strong role in shaping and influencing the organizational culture in the Air Batu District Government.
- The organization's commitment to employee performance showed insignificant results with a path coefficient value of 0.125, a t-statistical value of 1.115 ( $< 1.96$ ), and a p-value of 0.266 ( $> 0.05$ ). This indicates that the organization's commitment does not have a significant direct influence on employee performance.
- The relationship between organizational commitment and organizational culture showed significant positive results with a path coefficient value of 0.269, a t-statistical value of 2.870 ( $> 1.96$ ), and a p-value of 0.004 ( $< 0.05$ ). This indicates that organizational commitment contributes significantly in shaping the organizational culture in the Air Batu District Government.
- The influence of organizational culture on employee performance showed insignificant results with a path coefficient value of 0.317, a t-statistical value of 1.797 ( $< 1.96$ ), and a p-value of 0.073 ( $> 0.05$ ). Although it has a fairly large coefficient value, statistically organizational culture does not have a significant influence on the performance of employees in the Air Batu District Government.

### 3.2.4 Specific Indirect Effects

The basis of hypothesis testing lies in the values that arise from the internal weights of the results. In this study, the testing of the intervening hypothesis was carried out through the use of tcount and t-table tests, with a specific indirect effect measured as a result. The significance value of the hypothesis can be identified through the comparison between the t-count value and the t-table. If the tcount value exceeds the t-table with a significance level of 0.5, then the

intervening variable does not mediate the independent and dependent variables. The following are the results of the specific indirect effect test:

**Table 8** Specific Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Competence -> Organizational Culture -> Employee Performance	0.084	0.084	0.059	1.421	<b>0.156</b>
Leadership -> Organizational Culture -> Employee Performance	0.157	0.152	0.092	1.702	<b>0.089</b>
Organizational Commitment -> Organizational Culture -> Employee Performance	0.085	0.088	0.062	1.378	<b>0.169</b>

Source: SmartPLS Data Processing, 2025

Based on the results of the analysis of specific indirect effects tests, it can be seen as follows:

The indirect influence of competence on employee performance through organizational culture shows a coefficient value of 0.084 with a t-statistical value of 1.421 and a p-value of 0.156. Because the p-value is greater than 0.05 and the t-statistic is less than 1.96, it can be concluded that there is no significant indirect influence of competence on employee performance through organizational culture in the Air Batu District Government.

For the indirect influence of leadership on employee performance through organizational culture, the results of the analysis show a coefficient value of 0.157 with a t-statistical value of 1.702 and a p-value of 0.089. Although it has a larger coefficient value than other paths, because the p-value is still greater than 0.05 and the t-statistic is less than 1.96, it can be concluded that leadership also does not have a significant indirect influence on employee performance through organizational culture.

Meanwhile, the indirect influence of organizational commitment on employee performance through organizational culture has a coefficient value of 0.085 with a t-statistical value of 1.378 and a p-value of 0.169. These results also show that there is no significant indirect influence of organizational commitment on employee performance through organizational culture, because the p-value is greater than 0.05 and the t-statistic is less than 1.96.

## 4 Discussion

### 4.1 Competence Affects Employee Performance

The results of the study show that competence does not have a significant direct influence on the performance of employees in the Air Batu District Government, as shown by the track coefficient value of -0.030, the t-statistical value of 0.235 which is smaller than 1.96, and the p-value of 0.814 which is greater than 0.05. These findings indicate that even though employees have certain competencies, it does not necessarily improve their performance directly. These findings contradict the theory of competence on performance. [25] provides a definition of competence as knowledge, skills, and abilities mastered by a person who has become part of him, so that he can perform cognitive, affective, and psychomotor behaviors as well as possible. If competence is interpreted as the same as ability, then it can be interpreted as knowledge of understanding the purpose of work, knowledge in carrying out precise tips in carrying out the right and good work, and understanding how important discipline is in the organization so that all rules can run well.

### 4.2 Organizational Commitment Affects Employee Performance

The results of the study show that organizational commitment does not have a significant direct influence on the performance of employees in the Air Batu District Government, as shown by the path coefficient value of 0.125, the t-statistical value of 1.115 which is smaller than 1.96, and the p-value of 0.266 which is greater than 0.05. These findings indicate that while employees are committed to the organization, it does not directly improve their performance.

#### **4.3 Leadership Affects Employee Performance**

The results of the study show that leadership has a significant positive influence on the performance of employees in the Air Batu District Government, as shown by the path coefficient value of 0.297, the t-statistical value of 2.299 which is greater than 1.96, and the p-value of 0.022 which is smaller than 0.05. These findings indicate that leadership contributes directly to improving employee performance. Leaders who are able to provide clear direction, build good communication, and provide the necessary motivation and support, can increase the productivity and performance of individuals in the organization. With strong and inspiring leadership, employees are more motivated to work optimally, have a higher sense of responsibility, and are more committed to carrying out their duties and responsibilities. Therefore, to improve employee performance, the Air Batu District Government needs to ensure leadership with an approach that encourages active participation, employee empowerment, and the creation of a conducive work environment.

#### **4.4 Organizational Culture Affects Employee Performance**

The results of the study show that organizational culture does not have a significant influence on the performance of employees in the Air Batu District Government, as shown by the path coefficient value of 0.317, the t-statistical value of 1.797 which is smaller than 1.96, and the p-value of 0.073 which is greater than 0.05. Although the coefficient value shows a considerable relationship direction, statistically the influence of organizational culture on employee performance cannot be said to be significant. In order for organizational culture to have a greater impact on improving performance, additional strategies are needed, such as the implementation of a work culture that is more adaptive to employee needs, increased employee involvement in building organizational culture, and integration of work culture with more effective performance management policies.

#### **4.5 Competence Affects Organizational Culture**

The results of the study showed that competence had a significant positive relationship with organizational culture in the Air Batu District Government, as shown by the path coefficient value of 0.265, the t-statistical value of 2.652 which was greater than 1.96, and the p-value of 0.008 which was smaller than 0.05. This indicates that improving employee competence directly contributes to strengthening organizational culture. Employees who have high competence are better able to understand, apply, and adapt to the values, norms, and work practices embraced in the organization. Thus, increasing competence not only impacts individual capacity, but also strengthens cohesion and harmony in the work environment, creating a stronger and more positive organizational culture. The importance of employee competency development as a strategy in building a solid organizational culture, which can ultimately support the improvement of organizational effectiveness and performance.

#### **4.6 Organizational Commitment Affects Organizational Culture**

The results showed that organizational commitment had a significant positive relationship with organizational culture in the Air Batu District Government, as shown by the path coefficient value of 0.269, the t-statistical value of 2.870 which was greater than 1.96, and the p-value of 0.004 which was smaller than 0.05. These findings indicate that the higher the level of organizational commitment that employees have, the stronger the organizational culture that is formed. Employees who have high commitment play a more active role in carrying out the values, norms, and practices of the organization that have been set, thereby creating a more harmonious, structured, and in accordance with the organization's vision. Strong commitment also encourages policy compliance and active participation in various organizational initiatives, which ultimately strengthens a positive and productive work culture. Therefore, to strengthen the organizational culture, the Air Batu District Government needs to continue to encourage increased employee commitment through effective strategies, such as strengthening internal communication, increasing employee involvement in decision-making, and giving awards to those who show high dedication to the organization.

#### **4.7 Leadership Affects Organizational Culture**

The results of the study show that leadership has a very significant influence on organizational culture in the Air Batu District Government, with the highest path coefficient value of 0.494, the t-statistical value of 5.276 which far exceeds the threshold of 1.96, and the p-value of 0.000 which is smaller than 0.05. These findings indicate that leadership plays a very powerful role in shaping, directing, and strengthening organizational culture. Effective leaders not only provide strategic direction, but also serve as role models in implementing organizational values, building open communication, and creating a conducive and collaborative work environment. Strong leadership is able to instill a vision, mission, and work norms that are in line with organizational goals, so that employees are more likely to adjust and internalize the culture that has been built. Therefore, to strengthen a positive and sustainable organizational culture, the Air Batu District Government needs to ensure that leaders at every level of the organization have effective, visionary leadership

skills, and are able to inspire and guide employees in carrying out their duties in accordance with the expected organizational values.

#### 4.8 Competence Affects Employee Performance Through Organizational Culture

The results of the study show that competence does not have a significant indirect influence on employee performance through organizational culture in the Air Batu District Government, as shown by a coefficient value of 0.084, a t-statistical value of 1.421 which is smaller than 1.96, and a p-value of 0.156 which is greater than 0.05. These findings indicate that although competence contributes to organizational culture, and organizational culture has a relationship with employee performance, these indirect influence pathways are not strong enough to produce a statistically significant impact. Organizational commitment affects employee performance through organizational culture. The results of the study show that organizational commitment does not have a significant indirect influence on employee performance through organizational culture in the Air Batu District Government. This is evidenced by a coefficient value of 0.085, a t-statistical value of 1.378 which is still smaller than 1.96, and a p-value of 0.169 which is greater than 0.05. These findings indicate that while organizational commitment contributes to strengthening organizational culture, organizational culture itself is not strong enough to be a significant intermediary in improving employee performance.

#### 4.9 Leadership Affects Employee Performance Through Organizational Culture

The results of the study show that leadership does not have a significant indirect influence on employee performance through organizational culture in the Air Batu District Government. This can be seen from the coefficient value of 0.157, the t-statistical value of 1.702 which is still smaller than 1.96, and the p-value of 0.089 which is greater than 0.05. Although the coefficient value in this pathway is greater than that of other pathways, the effect is still statistically insignificant. These findings indicate that while leadership plays a role in shaping organizational culture, organizational culture itself is not strong enough to be a significant mediator in improving employee performance.

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## 5 Conclusion

Based on the results of the study, it can be concluded as follows:

- Competence has no direct effect on employee performance, which is indicated by a path coefficient value of -0.030, a t-statistical value of 0.235 ( $< 1.96$ ), and a p-value of 0.814 ( $> 0.05$ ).
- Competence has a significant influence on organizational culture, with a path coefficient value of 0.265, a t-statistical value of 2.652 ( $> 1.96$ ), and a p-value of 0.008 ( $< 0.05$ ).
- Leadership has a significant positive effect on employee performance, as shown by the path coefficient value of 0.297, t-statistical value of 2.299 ( $> 1.96$ ), and p-value 0.022 ( $< 0.05$ ).
- Leadership also has a very strong influence on organizational culture, with a path coefficient value of 0.494, a t-statistical value of 5.276 ( $> 1.96$ ), and a p-value of 0.000 ( $< 0.05$ ).
- Organizational commitment did not have a significant direct influence on employee performance, with a path coefficient value of 0.125, a t-statistical value of 1.115 ( $< 1.96$ ), and a p-value of 0.266 ( $> 0.05$ ).
- Organizational commitment has a significant influence on organizational culture, as shown by the path coefficient value of 0.269, t-statistical value of 2.870 ( $> 1.96$ ), and p-value 0.004 ( $< 0.05$ ).
- Organizational culture did not have a significant influence on employee performance, with a path coefficient value of 0.317, a t-statistical value of 1.797 ( $< 1.96$ ), and a p-value of 0.073 ( $> 0.05$ ).
- There was no significant indirect influence of competence on employee performance through organizational culture, with a coefficient value of 0.084, a t-statistical value of 1.421 ( $< 1.96$ ), and a p-value of 0.156 ( $> 0.05$ ).
- Leadership does not have a significant indirect influence on employee performance through organizational culture, as shown by a coefficient value of 0.157, a t-statistical value of 1.702 ( $< 1.96$ ), and a p-value of 0.089 ( $> 0.05$ ).
- There was no significant indirect influence of organizational commitment on employee performance through organizational culture, with a coefficient value of 0.085, a t-statistical value of 1.378 ( $< 1.96$ ), and a p-value of 0.169 ( $> 0.05$ ).

### *Suggestion*

Based on the discussion and conclusion in this study, the suggestions in this study are taken directly and indirectly, namely:

- It is necessary to carry out continuous training and skill development of employees in order to strengthen a positive organizational culture.
- Leaders in Air Batu District must be more active in building effective communication, providing motivation, and becoming role models for employees.
- Strengthen work values that are more relevant to performance improvement, such as discipline, collaboration, and innovation.
- A more personal approach needs to be taken, such as rewarding employee loyalty and work achievements so that their commitment is more performance-oriented.
- A strong organizational culture can further contribute to employee performance if it is associated with a reward system, a conducive work environment, and improved employee welfare.
- Because leadership has a strong influence on organizational culture, the sub-district government can develop a more adaptive, innovative, and participatory leadership program to be more effective in improving employee performance.
- Given that competence, leadership, and organizational commitment do not have a significant indirect influence on employee performance through organizational culture, employee performance improvement strategies should be more focused on factors that have a direct influence, such as effective leadership and individual skill improvement.
- Competency-based training programs must be designed by adjusting the work needs of employees in the sub-district, so that they can have a real impact on organizational culture and performance improvement.
- Increased motivation through employee well-being, incentives, and a supportive work environment can help increase employee productivity.
- The Air Batu District Government can implement a more transparent and results-based performance evaluation system to ensure that each employee has clear work targets and is encouraged to increase their productivity.

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## Compliance with ethical standards

### *Disclosure of conflict of interest*

No conflict of interest to be disclosed.

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