International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Mediation Of Organizational Culture In The Influence Of Leadership And Competence On Employee Performance (At The Agency For National Unity And Politics Of Badung Regency)

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Abstract

Employee performance in public sector organizations is influenced by various factors, including leadership and competence, which can be strengthened through organizational culture as a connecting variable. The phenomenon in the National Unity and Political Agency of Badung Regency shows that there is an imbalance in the division of duties and inconsistency between the job description and the direction of the leadership, thus having an impact on the decrease in employee work motivation. This study aims to examine the influence of leadership and competence on employee performance, both directly and through organizational culture as a mediator. The study used a causal quantitative approach by involving all 50 employees as respondents through *census* techniques. Data were collected through *a Likert* scale questionnaire and then processed using *path analysis* and *Sobel test* to test the effect of mediation. The results of the study show that leadership and competence have a positive and *significant effect* on employee performance and organizational culture, while organizational culture also has a strong influence on employee performance and acts as a partial mediator in both lines of influence. All seven research hypotheses were declared accepted. The conclusion of the research emphasizes the importance of strengthening leadership communication, improving employee digital competence, and internalizing the value of the work culture "BerAKHLAK" to support the optimization of organizational performance in a sustainable manner.

Keywords: Leadership; Competence; organizational culture; Employee Performance; Mediation

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INTRODUCTION

The demand for bureaucratic reform makes the performance of the apparatus the main indicator of the success of public sector organizations in providing effective, efficient, transparent, and accountable services. The work achievements of an employee, both in terms of quality and quantity, in completing obligations according to their responsibilities is a tangible picture of the performance itself (Mangkunegara, 2017). Leadership is one of the important determinants that affect these achievements, because leadership is basically an effort to influence other parties to understand and agree on the steps that need to be taken effectively (Kustinah, 2024). In addition to leadership, competence also plays a significant role; Competence is described as a fundamental characteristic of a person that is closely related to superior work performance, including elements of knowledge, expertise, and work attitude (Spencer & Spencer, 2008).

The relationship between leadership and competence to performance is not always direct, but can be bridged by organizational culture. A working group forms a pattern of basic assumptions in dealing with the problem of external adaptation and internal integration, which is then inherited as a perspective that is considered correct for new members, and this pattern is referred to as organizational culture (Schein & Schein, 2017). A work environment with a culture that supports innovation, collaboration, and accountability will strengthen the application of competencies in daily work activities.

The phenomenon at the Badung Regency National Unity and Political Agency, with 50 employees, shows indications of an inequality in the distribution of tasks: some employees often receive strategic assignments, while others are less empowered. This condition indicates the weak effectiveness of leadership delegation and the uneven opportunities for competency development, which leads to a decrease in work motivation and inhibition of knowledge transfer between employees. In addition, there is a discrepancy between *the duties* and the direction of the leadership that has the potential to obscure *role clarity*, and there are still employees who have not fully mastered their field of duty, thus reducing the quality of work output.

Based on this description, the formulation of this research problem includes: (1) how does leadership affect employee performance; (2) how the influence of competence on employee performance; (3) how does leadership influence the organizational culture; (4) how does competency affect organizational culture; (5) how the influence of organizational culture on employee performance; (6) how the role of organizational culture mediates the influence of leadership on employee performance; and (7) how the

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role of organizational culture mediates the influence of competence on employee performance.

In line with the formulation of the problem, this study aims to analyze the direct influence of leadership and competence on employee performance, analyze the direct influence of leadership and competence on organizational culture, analyze the direct influence of organizational culture on employee performance, and examine the mediating role of organizational culture on the influence of leadership and competence on employee performance.

Theoretically, this research is expected to enrich the conceptual model of public sector human resource management, expand the study of leadership and organizational culture, strengthen the understanding of apparatus competencies, and become an academic reference on the role of mediation variables. Practically, the results of this study are useful as policy considerations for the leadership of Bakesbangpol and the Badung Regency Government in strengthening the *core values* of ASN "BerAKHLAK", as well as providing an understanding for employees about the urgency of competency development and strengthening organizational cultural values to support optimal contributions to agencies.

METHOD

This study uses a causal quantitative approach to test the influence of leadership (X1) and competence (X2) on employee performance (Y) with organizational culture (Z) as a mediating variable. The population includes all employees of the Badung Regency National and Political Unity Agency which totals 50 people, and all of them are sampled through census techniques considering the limited population size (Scott, 2023). Leadership is measured through the ability to influence, build vision, communication, interpersonal relationships, and decision-making. Competence is seen from knowledge, skills, attitudes, and work experience. Organizational culture is measured through values *"MORAL"* It includes innovation, results orientation, team orientation, and organizational stability. Employee performance is assessed from quality, quantity, punctuality, effectiveness, and work independence. All indicators are measured using a five-point Likert scale.

Primary data is obtained through questionnaires, while secondary data is sourced from agency documents. Data collection was carried out through observation, questionnaires, and documentation studies. The instrument is tested for validity and reliability before being analyzed through a classical assumption test. Analysis

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techniques using descriptive statistics and *Path Analysis* to assess the causal relationship between variables (Ghozali, 2006), continued *Sobel Test* to test the mediating role of organizational culture on the relationship between leadership and competence and employee performance.

RESULTS

Overview of Research Objects

The Badung Regency National and Political Unity Agency (Bakesbangpol) is a regional apparatus tasked with assisting the Regent in organizing government affairs in the field of national unity and politics. This organization is under the coordination of the Regional Secretary and is currently led by Ida Bagus Putu Mas Arimbawa, S.Sos. The strategic functions of this institution include fostering the ideology of Pancasila, national insights, facilitating community political education, fostering community organizations, strengthening economic-socio-cultural-religious resilience, and national awareness through early detection of potential social conflicts. Structurally, the organization consists of the Secretariat and four technical fields, namely the Field of Domestic Politics, the Field of Ideology, Insight into the Nation's Character and Character, the Field of Economic, Social, Cultural, Religious, and Community Organizations, as well as the Field of National Vigilance and Intelligence Cooperation. Starting in 2026, this agency will begin to develop digital-based service transformations to increase the effectiveness of services to the community.

Respondent Characteristics

This study involved 50 employees of the Badung Regency Bakesbangpol as respondents as well as research samples.

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Table 1. Respondent Characteristics

No.	Characteristics	Number (people)	Percentage (%)
1	Male / Female	34 / 16	68,0 / 32,0
2	Working time < 5 yrs / 5–10 yrs / >10 yrs	10 / 20 / 20	20,0 / 40,0 / 40,0
3	Age < 26 years / 26–35 years / >35 years old	5 / 23 / 22	10,0 / 46,0 / 44,0
4	High School / S1 / S2 Education	14 / 25 / 11	28,0 / 50,0 / 22,0

Source: primary data processed (2026)

The data shows the dominance of male employees with relatively long working periods, in the productive age range, and the majority have a bachelor's degree (S1) background. This composition indicates that the human resources of the Bakesbangpol of Badung Regency have adequate work experience to support the tasks of national unity and politics that require maturity of thought and emotional stability.

Description of Respondent Responses

The assessment categories are determined through *the interval range formula* (Sugiyono, 2019), which is the difference between the highest and lowest scores on the Likert scale divided by the number of categories (5–1)/5 = 0.8, so that five interval classes ranging from the very bad (1.00–1.80) to very good (4.20–5.00) categories are obtained.

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Table 2. Summary of Variable Average Scores

Variable	Highest Indicators	Score	Variable Average	Categories
Leadership (X1)	Ability to influence subordinates	4,82	4,61	Excellent
Competencies (X2)	Job skills	4,50	4,47	Excellent
Organizational Culture (Z)	Result orientation	4,62	4,55	Excellent
Employee Performance (Y)	Quality of work	4,60	4,53	Excellent

The four variables are in the very good category according to the respondents' perception, with organizational culture occupying the second highest average position after leadership, which indicates that work values have been consistently internalized within the Bakesbangpol environment of Badung Regency.

Validity and Reliability Tests

Validity testing uses *product moment correlation*, while reliability is measured through *Cronbach's Alpha*.

Table 3. TestValidity and Reliability

Variable	Range of Validity Coefficients	Cronbach's Alpha	Remarks
Leadership (X1)	0,603–0,876	0,791	Valid and reliable
Competencies (X2)	0,671–0,827	0,734	Valid and reliable
Organizational Culture (Z)	0,555–0,773	0,801	Valid and reliable
Employee Performance (Y)	0,560–0,786	0,743	Valid and reliable

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All items of the instrument were declared valid because the correlation coefficient was above the required threshold, while *the value of Cronbach's Alpha* of all variables was above 0.70 so that the instrument was declared consistent and suitable for use as a measuring tool.

Classic Assumption Test

The results of the normality test using *the Kolmogorov-Smirnov* method showed an *Asymp. Sig. (2-tailed)* value of 0.079, greater than 0.05, so that the residual model was declared to be normally distributed. The multicollinearity test showed that all free variables had a *tolerance* value above 0.10 and *a Variance Inflation Factor* (VIF) below 10 (X1 = 1.543; X2 = 1,804; Z = 2,100), which means the model is free of the symptoms of multicollinearity. The heteroscedasticity test with *the Glejser* approach showed significance values of X1 = 0.689, X2 = 0.308, and Z = 0.634, all above 0.05, so that the model was declared homoscedastic and suitable for further estimation.

Model Fit Test and Path Analysis

The total coefficient of determination (R^2m) is calculated from two sub-structures, namely $R1^2 = 0.524$ and $R2^2 = 0.675$, resulting in $R^2m = 1 – (1–0.524)(1–0.675) = 0.845$. This value shows that 84.5% of employee performance variations can be explained by leadership, competence, and organizational culture, while the remaining 15.5% are influenced by factors outside the model.

Table 4. Summary of Direct, Indirect, and Total Effects

Pathway	Coefficients	Sig.	Remarks
X1 → Y	0,235	0,029	Significant
X2 → Y	0,277	0,018	Significant
X1 → Z	0,345	0,004	Significant
X2 → Z	0,493	0,000	Significant
Z → Y	0,733	0,000	Significant
X1 → Z → Y	0,253	Z=2.69	Significant mediation
X2 → Z → Y	0,361	Z=3.49	Significant mediation

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The results of *the Sobel Test* for both mediation pathways produced a calculated Z value (2.69 and 3.49) that exceeded the critical value of the Z table (1.98) at a significance level of 5%, so that the seven research hypotheses were declared accepted.

DISCUSSION

The Influence of Leadership on Employee Performance

The findings of the path coefficient of 0.235 with a significance of 0.029 prove that leadership contributes positively to the performance of Bakesbangpol employees of Badung Regency. The more optimal the quality of leadership applied by the superiors, the higher the work achievements of the subordinates. The indicator of the ability to influence subordinates occupies the highest position, indicating that employees consider the leadership to be quite effective in giving direction, encouragement, and being a role model in carrying out daily tasks. This condition is in line with the idea Robbins & Judge (2021) who view leadership as the ability of a person to move individuals and groups to work voluntarily for common achievements. Views Northouse (2021) It also reinforces this finding, where a leader's success is not only measured by administrative control but also by his ability to build trust, communication, and collaboration between members of the organization. Empirically, these results are also in line with the conclusion Podsakoff et al. (2012) that the involvement of subordinates and the development of harmonious working relationships by leaders encourage employee productivity, as also emphasized Hatam et al. (2024) that transformational leadership style is able to motivate employees to work beyond the organization's targets. However, the indicators of building a common vision and effective communication are slightly lower than other indicators, so that the strengthening of two-way communication and employee involvement in the formulation of work programs still needs to be improved so that all elements of leadership run optimally.

The Influence of Competency on Employee Performance

Competency has also been shown to have a positive and significant effect on employee performance, shown by the path coefficient of 0.277 with a significance of 0.018. This means that the mastery of knowledge, skills, attitudes, and work experience of employees also determines the quality of the work results achieved. The most prominent indicators of work skills were recorded as reflecting the ability of employees to complete government administrative tasks, cross-party coordination, and

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management of activities according to applicable procedures. These findings are consistent with the results Karona & Kiswoyo (2024) which emphasizes that strengthening competencies through education, training, and work experience accumulation has a direct impact on improving organizational performance. In the context of Bakesbangpol, the demand for digitization of services and the implementation of an Electronic-Based Government System requires employees to continue to upgrade their technical capacity, including the ability to manage data and compile digital-based performance reports, so that organizations are able to adapt to the increasingly complex dynamics of public services.

The Influence of Leadership on Organizational Culture

Leadership is also proven to have a significant influence on the formation of organizational culture, with a path coefficient of 0.345 and a significance of 0.004. Leaders play the role of *agent of change* that determine shared values, norms, and patterns of behavior through consistent example, policy, and decision-making. The better the quality of leadership, the stronger the work culture that grows in the organizational environment. These findings reinforce the results Jumawan et al. (2024) that the transformational leadership style contributes to the formation of an adaptive and performance-oriented organizational culture, as well as results Liu et al. (2026) which shows that the effectiveness of leadership is directly proportional to the power of internalizing organizational values. In the context of Bakesbangpol Badung Regency, the complexity of cross-field coordination requires leaders to be examples of discipline and integrity so that these values are adopted consistently by employees in work activities.

The Influence of Competence on Organizational Culture

Competency has a positive and significant influence on organizational culture with a path coefficient of 0.493 and a significance of 0.000, even greater than the influence of leadership on the same variable. These findings indicate that the formation of work culture in Bakesbangpol Badung Regency does not solely depend on the role of leaders, but is also highly determined by the quality of human resources who carry out organizational activities every day. Competent employees tend to be professional, disciplined, and collaborative, so these behaviors gradually develop into a shared habit. These results are in line with Bakker & Demerouti (2017) which links competence with strengthening organizational commitment as a form of work culture, where highly

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competent employees generally show greater loyalty and responsibility for the achievement of agency goals.

The Influence of Organizational Culture on Employee Performance

Organizational culture proved to be the variable with the greatest influence on employee performance, shown by a path coefficient of 0.733 and a significance of 0.000. The most dominant indicator of performance orientation was recorded as indicating that the organization has instilled a work culture that focuses on achieving targets and the quality of service output. In addition, individual orientation and teamwork also gain high appreciation, signaling a balance between appreciation for personal contributions and cross-field collaboration. These results corroborate the findings Putri et al. (2026) that a strong organizational culture is able to increase motivation and work commitment, while being in line with Putri et al. (2026) which states that a collaborative and results-oriented culture contributes to the productivity, loyalty, and quality of performance of public sector employees.

The Role of Organizational Culture in Mediating the Influence of Leadership on Employee Performance

Results *Sobel Test* showed a Z value of 2.69, exceeding the critical value of 1.98 at a significance level of 5%, so that organizational culture is proven to mediate leadership relationships and employee performance significantly. Because leadership's direct influence on performance remains significant, the role of organizational culture here is partial mediating (*Partial Mediation*)—strengthening, not replacing, leadership effectiveness. This means that the success of leaders in improving performance does not only depend on direct direction, but also on their ability to instill work values which then become the collective habits of employees, so that performance is maintained even without direct supervision. These findings are consistent with Putri et al. (2026) which proves that leadership that builds organizational values also encourages the creation of an adaptive work culture that leads to increased employee productivity.

The Role of Organizational Culture in Mediating the Influence of Competency on Employee Performance

Value *Sobel Test* On this path it reaches 3.49, far exceeding the critical value of 1.98, so that organizational culture is also proven to mediate the relationship between competence and employee performance significantly, even with greater mediation

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power than the leadership path. Because the direct influence of competence on performance remains significant, this mediation is also partial: individual competence will have a more optimal impact if supported by an organizational culture that values learning, cooperation, and results-orientation. These findings reinforce the results Zeike et al. (2019) which emphasizes that competence has a greater impact on performance when the organizational environment is able to internalize positive work values, so that competencies and organizational culture basically strengthen each other in encouraging the achievement of optimal performance in the Bakesbangpol environment of Badung Regency.

CONCLUSION

This research proves that leadership and competence make a real contribution to the performance of Bakesbangpol employees of Badung Regency, both directly and through organizational culture as mediators. Organizational culture acts as *a partial mediation* that reinforces, not replaces, the influence of these two variables. All seven hypotheses were declared acceptable based on the results *of path analysis* and *the statistically significant Sobel Test*. Leaders are advised to improve two-way communication and involve employees in the formulation of work programs to strengthen the delivery of the organization's vision. Strengthening technical competence, especially mastery of digital systems, needs to be improved through continuous training. In addition, the value of the work culture of "AKHLAK" should continue to be internalized in order to create a collaborative, adaptive, and results-oriented work environment consistently.

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