

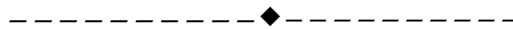
The Influence of Leadership Style and Work Loyalty on Employee Performance with Organizational Culture as a Moderating Variable at PT Smart Retail Perkasa

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Abstract

Employee performance tends to improve alongside higher-quality leadership and stronger work loyalty. Positive and significant regression coefficients indicate that both variables are key determinants of performance. A strong organizational culture further reinforces these relationships, highlighting the alignment between leadership practices, employee attitudes, and organizational values in enhancing work outcomes, while also offering practical guidance for retail management. This study aims to examine the influence of leadership style and work loyalty on employee performance, with organizational culture serving as a moderating variable at PT Smart Retail Perkasa. The research employs a causal quantitative approach. Data were collected through questionnaire distribution to employees and analyzed using multiple linear regression and moderation analysis with bootstrapping techniques to statistically verify the relationships among variables. The findings reveal that leadership style has a positive and significant effect on employee performance ($t = 2.628$; $p = 0.009$). Similarly, work loyalty demonstrates a positive and significant influence on performance ($t = 2.586$; $p = 0.010$). Organizational culture not only directly affects employee performance but also strengthens the effect of leadership style on performance ($t = 3.401$; $p = 0.001$) and amplifies the influence of work loyalty on performance ($t = 2.760$; $p = 0.006$). These results indicate that employee performance increases when effective leadership and high work loyalty are supported by a strong organizational culture. This study confirms that employee performance is shaped by leadership style and work loyalty, with organizational culture acting as a reinforcing factor. Therefore, improving performance requires the integration of effective leadership, strong employee loyalty, and a cohesive organizational culture.

Keywords: *Leadership Style, Work Loyalty, Organizational Culture, Employee Performance, Moderating Variable.*



A. INTRODUCTION

Amid deteriorating global economic conditions that directly affect Indonesia's economy, the stability of human resource performance has become a primary safeguard for business sustainability. Recent developments indicate that companies in Indonesia, regardless of size whether small, medium, or large, are facing increasing pressure to enhance productivity while simultaneously reducing operational costs. Employee performance is no longer viewed merely as the fulfillment of routine tasks; instead, it has emerged as a strategic asset that determines whether organizations can withstand market fluctuations or fall behind in competitive environments. In the Indonesian context, declining employee performance often serves as an early indicator of broader operational weakening within firms. This issue becomes even more

pressing within specific local competitive settings. In rapidly developing cities such as Pontianak, the expansion of supermarkets and modern retail businesses has accelerated significantly. This growth has intensified competition, compelling companies to deliver superior service quality. However, empirical evidence from several preliminary studies frequently reveals that rigid leadership approaches and job insecurity are among the primary factors contributing to reduced employee dedication in this sector. When employees lose their sense of ownership due to ineffective management practices, their performance tends to decline sharply, posing a serious threat to the sustainability of retail businesses in the region (Hossain, 2024).

Since the post pandemic economic recovery, Indonesia has demonstrated a positive growth trend. According to data from Statistics Indonesia, the national economy grew by 5.03 percent in 2024, with the wholesale and retail trade sector emerging as one of the main contributors to gross domestic product. Within this competitive economic environment, companies are required to possess sustainable competitive advantages. Such advantages are not determined solely by capital or technology, but are strongly influenced by the quality of human resources. Employee performance has become a critical indicator, as individual performance directly affects overall organizational productivity. Failure to manage employee performance in the current economic climate may result in severe consequences for business continuity. In the dynamics of post pandemic business conditions, the stability of employee performance has become a central concern for organizations worldwide, including in Indonesia. In the era of volatility, uncertainty, complexity, and ambiguity, human resource performance is no longer perceived as merely the completion of routine tasks, but rather as a foundation of business resilience. The State of the Global Workplace Report published by Gallup in 2024 indicates that although employee engagement has begun to recover, global worker stress levels have reached a record high. This psychological condition negatively affects performance and contributes to the phenomenon of quiet quitting, in which employees perform only their basic obligations without initiative to exceed expected targets.

At the national level, Indonesia continues to face significant challenges related to labour competitiveness. Data from the Asian Productivity Organization in the Productivity Databook 2024 reveal that Indonesia's labor productivity remains lower than that of other ASEAN countries such as Singapore, Malaysia, and Thailand. This productivity gap suggests that employee performance in Indonesia has not yet reached optimal efficiency. For companies, particularly labour intensive sectors such as retail, low individual performance directly affects revenue generation and operational efficiency. Performance issues become more complex when linked to workforce stability. The Talent Trends study conducted by Michael Page Indonesia in 2024 shows that approximately 95 percent of employees in Indonesia are open to new job opportunities. This high level of mobility creates instability in work focus, as employees with low loyalty tend to exhibit declining performance even before

formally leaving the organization. Such conditions generate a cycle of inefficiency that ultimately disadvantages companies. The importance of maintaining employee performance is also evident in high-risk industries such as the automotive sector in Indonesia. As noted by Zulfahmi (2024), team performance in the automotive industry directly influences supply chain effectiveness, where disruptions in discipline or employee loyalty may hinder mass production targets. This phenomenon in large scale industries reflects how performance, shaped by leadership quality or declining loyalty, can lead to substantial losses. Dependence on human resource quality is therefore not limited to industrial sectors, but extends across all business fields, including retail.

In the retail and service industries, performance demands continue to increase in response to changing consumer behaviour that prioritizes fast and accurate service. Performance failure at a single service point may damage corporate reputation. Nevertheless, many retail companies continue to apply traditional management patterns and rigid leadership approaches. Such practices often prove counterproductive, as work pressure without supportive organizational culture reduces intrinsic motivation, increases absenteeism, and diminishes work quality (Arga et al., 2023). Declining performance should not be viewed solely as an individual issue, but rather as a reflection of systemic failure in managing key driving factors such as leadership and employee loyalty. Companies that fail to address performance deterioration risk losing their competitive advantage. Therefore, an in-depth analysis of the determinants of employee performance is essential to ensure productivity consistency amid economic challenges. As demonstrated in the study by Ali (2019), perceived ease of use showed a negative and insignificant effect on consumer purchase decision attitudes. This finding indicates that in increasingly competitive business environments, companies cannot rely solely on ease of use, but must also consider other value creating factors. Consequently, efforts to enhance employee performance become crucial, as employees are directly involved in delivering service quality, creating positive consumer experiences, and ensuring that product or service benefits are optimally realized. Stable and productive employee performance will support companies in maintaining customer satisfaction, strengthening loyalty, and sustaining competitiveness within dynamic economic conditions.

Performance, according to Moehariono (2012:95), can be understood as an illustration of the extent to which organizational programs or policies are successfully implemented in achieving predetermined objectives. Moh. As'ad (2003) defines performance as an individual's ability to complete tasks effectively, while Lawler and Porter describe it as the successful fulfillment of assigned roles. Therefore, employee performance serves as a key indicator of success in achieving work targets in accordance with organizational standards. Improvements in employee performance can be achieved through appropriate leadership styles and strong work loyalty.

Thoha, (2010:49) describes leadership style as the consistent behavioral patterns demonstrated by leaders when directing and influencing subordinates. An effective leadership approach is reflected in the leader's capacity to provide clear direction, establish mutual trust, and adjust managerial behavior according to the unique characteristics and needs of each team member.

Work loyalty also plays a crucial role by fostering employee commitment and emotional attachment to the organization (Bakara, 2023). Robbins & Judge (2015) emphasize that employee loyalty is closely related to affective commitment and the willingness of individuals to maintain long-term involvement within the organization. The interaction between leadership practices, employee loyalty, and performance outcomes does not occur in isolation, as it is shaped by the surrounding organizational culture. Organizational culture represents a shared system of meanings and assumptions that differentiates one organization from another. Through this system, work behavior, decision-making patterns, and motivational dynamics are formed. Empirical evidence suggests that organizational culture may operate as a moderating factor that influences the strength of the relationship between leadership and employee performance Sunarsi & Haryadi (2022), as well as strengthen the link between leadership and job satisfaction in achieving overall organizational outcomes (Ferzi, 2021; Lubbi Atika & Khumaira, 2022).

According to Mulyadi (2005), a supermarket is a modern retail enterprise that sells household necessities through a self-service system. PT Smart Retail Perkasa is a modern retail company established on June 30, 2005, in Pontianak. Intense competition within the retail sector requires companies to employ competent and loyal employees who are capable of working under effective leadership. Therefore, it becomes essential to investigate how leadership style and work loyalty contribute to employee performance, while considering organizational culture as a contextual variable that may intensify or diminish these effects. Internal company data indicate fluctuations in employee numbers, increasing absenteeism rates, and sales revenue achievements that have not reached optimal targets. These conditions suggest underlying issues related to employee motivation, loyalty, and performance.

Previous studies by Gurawan (2024) and Prasetiyani (2025), have identified various factors influencing employee performance, showing that job satisfaction and motivation affect employee loyalty (Wardhani, 2023). Rohimah (2025) found that work environment and time flexibility influence employee engagement. However, these studies have not specifically integrated organizational culture as a moderating variable in the relationship between leadership and loyalty toward performance within the retail sector. This research gap becomes more pronounced in developing regions such as Pontianak, where modern retail competition is rapidly expanding yet remains underexamined using an integrated framework that combines leadership, loyalty, and organizational culture as moderating elements. Therefore, this study aims to address this gap by conducting an in-depth analysis of how organizational culture

moderates the influence of leadership style and work loyalty on employee performance in the retail industry, thereby providing new insights for enhancing business competitiveness amid global economic challenges.

B. LITERATURE REVIEW

This study applies a hierarchical theoretical framework to systematically explain the relationships among variables. The framework consists of grand theory, middle range theory, and applied theory, which collectively support the analysis of the effects of leadership style and work loyalty on employee performance, with organizational culture serving as a moderating variable. At the level of grand theory, this study is grounded in Social Exchange Theory, which explains that interactions between individuals and organizations represent a form of social exchange based on reciprocity, trust, and moral obligation. Herzberg, (1959) emphasizes that employment relationships are established on the foundation of trust and reciprocal norms. When organizations or leaders provide positive treatment to employees, employees tend to respond with loyalty and improved performance. In this study, leadership style is viewed as a trigger of social exchange, work loyalty as relational commitment, and employee performance as a reciprocal response to organizational treatment. Organizational culture functions as a value system that maintains the consistency of reciprocal norms, ensuring that employment relationships remain fair and sustainable.

At the level of middle range theory, this research refers to situational leadership theory, which explains that the effectiveness of leadership styles depends heavily on subordinate characteristics and organizational conditions. Appropriate leadership styles can enhance motivation and performance when aligned with employee readiness and the organizational cultural context. Robbins and Judge (2015) state that leadership style refers to the approach used by leaders to influence, direct, and motivate individuals or groups in achieving organizational objectives. Leadership styles may take the form of authoritarian, democratic, or laissez faire approaches, each producing different effects on employee motivation and performance. Participative leadership tends to enhance employee involvement and commitment, while overly controlling leadership may reduce motivation and creativity. Therefore, leadership style is considered a key element in determining employee performance within organizations.

At the level of applied theory, work loyalty is explained through organizational commitment theory. Meyer & Allen, (1991) describe organizational commitment as consisting of affective, continuance, and normative components that shape employees' attachment to the organization. Work loyalty reflects employees' willingness to remain with the organization and to contribute optimally to its success. Rivai, (2005) defines work loyalty as an attitude of dedication and responsibility toward the organization, reflected in consistency and commitment to assigned tasks.

Sopiah, (2008) also emphasizes that work loyalty demonstrates employees' readiness to contribute on a sustained basis. Employees with high loyalty tend to exhibit discipline, compliance with organizational rules, and strong commitment in completing tasks, which in turn leads to improved performance.

Employee performance refers to the outcomes achieved by individuals or groups within an organization in accordance with assigned responsibilities. Moeheriono, (2012) explains that performance represents the level of success in carrying out activities to achieve organizational goals. Performance can be measured through dimensions such as quality, quantity, timeliness, effectiveness, and work independence. Performance evaluation serves as an essential instrument for organizations to assess employee contributions and to design human resource development strategies. High performance indicates that employees are capable of executing tasks according to established standards and contributing effectively to organizational objectives.

Organizational culture can be understood as a collective framework of shared values, norms, and guiding principles that direct the behaviour of organizational members. Robbins and Judge (2015) further explain that culture shapes organizational identity and affects patterns of interaction as well as work performance among employees. When organizational culture is well established, it fosters a stronger sense of belonging that enhances commitment and loyalty. Core dimensions commonly associated with organizational culture include innovation, precision, outcome orientation, human-centered practices, teamwork, competitiveness, and organizational stability. Within this research model, organizational culture is treated as a moderating variable that may amplify or reduce the influence of leadership style and work loyalty on performance. A culture characterized by transparency, recognition, and collaborative values tends to strengthen the positive contribution of leadership and loyalty to employee outcomes. In contrast, an unsupportive culture may limit the effectiveness of these variables in improving performance.

Employee loyalty plays a crucial role in sustaining organizational continuity and maintaining performance consistency. Sudaryo, Aribowo, & Sofiati (2019), in *Human Resource Management: Indirect Compensation and Physical Work Environment*, argue that loyalty is influenced not only by direct financial rewards but also by indirect compensation and workplace conditions. Non-monetary benefits such as health coverage, welfare programs, adequate facilities, and employment security contribute to employees' sense of appreciation and emotional attachment to the organization. Based on this theoretical foundation, it can be inferred that leadership style and work loyalty significantly affect employee performance, whereas organizational culture functions as a moderating variable that determines the magnitude of these effects. The conceptual framework of this study, therefore positions leadership style and work loyalty as independent variables, employee performance as the dependent variable, and organizational culture as the moderating

variable within the structural model. With a solid theoretical foundation and relevant literature support, this study is expected to provide deeper insights into the effects of leadership, loyalty, and organizational culture on employee performance at PT Smart Retail Perkasa.

C. METHODS

This study employs a causal quantitative method with a survey design to evaluate the causal relationships between leadership style as variable X_1 and work loyalty as variable X_2 on employee performance as variable Y , as well as to examine the role of organizational culture as a moderating variable Z . A quantitative approach was selected because the data were collected in numerical form through questionnaires and analyzed using statistical techniques to test hypotheses objectively. The causal design was applied due to its focus on examining the direction and magnitude of relationships among variables, including whether organizational culture strengthens or weakens the influence of independent variables on the dependent variable (Sugiyono, 2019).

The research was conducted at PT Smart Retail Perkasa Pontianak, located on Jalan Sungai Raya Dalam, Pontianak. Data collection was carried out according to the predetermined fieldwork schedule. The research location was selected based on its contextual relevance to the variables examined, particularly leadership dynamics, work loyalty, organizational culture, and employee performance outcomes.

The data sources consisted of primary and secondary data. Primary data were obtained directly from respondents through questionnaires and were supported by interviews to enhance contextual understanding. Secondary data included company documentation, administrative records, and other relevant information (Sugiyono, 2019). Data collection techniques involved observation, interviews, questionnaires, and literature review. Observation provided direct insight into work activities and operational conditions related to employee behaviour. Interviews were conducted to explore leadership practices, work culture patterns, and internal policies. Questionnaires served as the main instrument for measuring respondents' perceptions in a structured manner based on variable indicators. The literature review ensured that the conceptual framework, indicators, and analytical techniques were aligned with established theories and previous studies (Sugiyono, 2019).

The study involved all 74 employees of PT Smart Retail Perkasa Pontianak as the research population. Considering that the total number of employees was below 100, a census approach was adopted, allowing every member of the population to participate in the study. Therefore, all 74 employees were included as respondents in the data analysis (Sugiyono, 2019).

The research variables included independent variables consisting of leadership style X_1 and work loyalty X_2 , a dependent variable represented by employee performance Y , and a moderating variable represented by organizational culture Z .

Measurement of variables was conducted using a questionnaire with a five point Likert scale ranging from strongly disagree with a score of 1 to strongly agree with a score of 5. The interval category was calculated using the formula five minus one divided by five, resulting in a value of 0.8 (Sugiyono, 2014). Prior to the main analysis, the instruments were tested for validity and reliability. Validity ensured that each item measured the correct construct through Pearson's correlation, with the criterion r count $>$ r table. Reliability was assessed using *Cronbach's Alpha* $>$ 0,60 (Sugiyono, 2010; Ghozali, 2018).

Data analysis includes completeness checks, coding, tabulation, and statistical testing. The study uses Moderated Regression Analysis (MRA) and PLS-SEM to test direct and moderating effects. MRA evaluates the impact of leadership style and work loyalty on performance, as well as the moderating effect of organizational culture through interaction. Moderation occurs if β_4 or β_5 is significant at $p < 0.05$ (Ghozali, 2018).

The regression equation applied in this study is expressed as follows: $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3Z + \beta_4(X_1 \times Z) + \beta_5(X_2 \times Z) + e$.

Before regression, classical assumption tests were conducted: residual normality (Kolmogorov–Smirnov, $p > 0.05$), linearity ($p < 0.05$), and heteroscedasticity (Glejser, $p > 0.05$) (Ghozali, 2011). PLS-SEM tests construct relationships simultaneously, making it suitable for small samples. The evaluation included the outer model (loading ≥ 0.70 , AVE ≥ 0.50 , composite reliability ≥ 0.70 , discriminant validity via Fornell–Larcker) and inner model (path coefficients, R^2 , significance via bootstrapping, $t > 1.96$) (Ghozali, 2018; Hair et al., 2019). This methodological approach ensured consistency with the research objectives by using Moderated Regression Analysis to test moderation effects and Partial Least Squares Structural Equation Modeling to confirm the overall model, thereby producing robust and contextually relevant results for PT Smart Retail Perkasa Pontianak (Ghozali 2018; Hair, et.al, 2019).

D. RESULTS AND DISCUSSION

1. Results of Multiple Linear Regression Analysis

The multiple linear regression analysis reveals that leadership style as X_1 , work loyalty as X_2 , and organizational culture as Z have positive effects on employee performance as Y . Positive regression coefficients indicate that increases in each independent variable are associated with improvements in employee performance, assuming other variables remain constant. These findings support the fundamental principle of causal quantitative research, which posits that variations in employee performance can be explained by changes in leadership, work loyalty, and organizational culture. The *constant* value of 1.211 represents the baseline level of employee performance when leadership style, work loyalty, and organizational culture are at their lowest levels. Although such conditions rarely occur in practice,

this constant reflects the existence of a minimum level of performance that is not entirely determined by the independent variables included in the model.

The regression analysis reveals that leadership style (X_1) obtained a coefficient value of 0.221 with a significance level of 0.028, which is lower than the 0.05 threshold. This outcome suggests that leadership style contributes positively to employee performance. The statistical significance further implies that the observed relationship reflects a systematic pattern within the population rather than a random occurrence. This finding is consistent with leadership theories that position leaders as guides, motivators, and role models within organizations. Leadership styles that provide clear direction, support, and constructive feedback enhance employee work efficiency, which is ultimately reflected in improved performance.

Work loyalty as X_2 also demonstrates a positive and significant effect on employee performance, with a regression *coefficient* of 0.230 and a *significance level* of 0.039, which is below 0.05. This finding indicates that stronger employee loyalty is associated with better performance outcomes. From a theoretical perspective, this result supports organizational commitment theory, which views loyalty as a psychological bond between employees and the organization. Loyal employees tend to exhibit greater responsibility, consistency in task execution, and a willingness to exert additional effort, all of which directly contribute to higher performance levels.

Organizational culture as Z has the largest regression *coefficient* at 0.377, with a *significance level* below 0.001. This result indicates that organizational culture has a positive and highly significant effect on employee performance. Statistically, this strong significance suggests that organizational culture is a key factor in explaining variations in employee performance. Theoretically, organizational culture functions as a framework of values and norms that guide employee behavior. A culture that emphasizes discipline, result orientation, collaboration, and compliance with rules shapes work patterns aligned with organizational objectives, thereby encouraging higher performance.

2. Results of Measurement Model Evaluation (Outer Model)

The evaluation of the measurement model indicates that all indicators across constructs meet the criteria for convergent validity. Outer loading values for all indicators exceed the minimum threshold of 0.70, indicating that each indicator adequately represents its corresponding latent construct. For the leadership style construct, outer loading values range from 0.707 to 0.864, demonstrating that leadership indicators contribute strongly to the construct. The work loyalty construct shows outer loading values between 0.718 and 0.828, indicating that loyalty indicators consistently reflect employees' attachment to the organization. The employee performance and organizational culture constructs also display satisfactory outer loading values, ranging from 0.723 to 0.824 and from 0.710 to 0.836, respectively. In addition, the interaction constructs represented by Z multiplied by X_1 and Z

multiplied by X_2 show outer loading values of 1.000, confirming that the interaction variables are statistically appropriate for evaluating moderating effects. Therefore, the measurement model is considered valid and suitable for further structural analysis.

3. Results of Structural Model Testing and Moderating Effects

The structural model results obtained through bootstrapping reveal that all impact paths in the model are statistically significant, with *t statistics* exceeding 1.96 and probability values below 0.05. The direct effect of leadership style on employee performance shows a coefficient of 0.264, with a *t* value of 2.628 and a *probability* value of 0.009. This finding further confirms that leadership is a key factor in enhancing employee performance. The direct effect of work loyalty on employee performance is also significant, with a *coefficient* of 0.284, a *t* value of 2.586, and a *probability* value of 0.010. This result indicates that work loyalty is not merely a psychological attitude but is translated into measurable and efficient work behaviour.

The moderating effect of organizational culture is significant for both relationships. The interaction between organizational culture and work loyalty represented by Z multiplied by X_2 shows a coefficient of 0.251, with a *t* value of 2.760 and a probability value of 0.006. This finding indicates that organizational culture strengthens the influence of work loyalty on employee performance. In other words, work loyalty becomes more effective in driving performance when supported by a culture that reinforces work values, rule compliance, and result orientation. The interaction between organizational culture and leadership style represented by Z multiplied by X_1 shows a *coefficient* of 0.307, with a *t* value of 3.401 and a *probability* value of 0.001.

These results indicate that organizational culture also amplifies the influence of leadership style on employee performance. Theoretically, organizational culture acts as an environment that facilitates the implementation of leaders' instructions, examples, and strategies into employee work behavior. Leadership practices applied within a strong and stable organizational culture are more likely to produce higher performance outcomes than leadership operating within a weak culture.

Hypothesis testing results indicate that leadership style exerts a statistically significant influence on employee performance, as evidenced by a *t*-value of 2.628 and a probability level of 0.009. These findings demonstrate that enhancements in leadership practices are associated with measurable improvements in employee performance outcomes.

Work loyalty demonstrates a positive and statistically significant effect on employee performance, as reflected by a *t*-statistic value of 2.586 and a *p*-value of 0.010, which is below the 0.05 significance threshold. This result suggests that higher levels of employee loyalty toward the organization are associated with improved work performance. From a theoretical perspective, loyalty is closely linked to organizational commitment, which fosters emotional attachment, a sense of

belonging, and a sustained willingness to contribute to the organization. Employees who exhibit strong loyalty tend to maintain work standards, comply with organizational norms, and preserve operational efficiency, thereby contributing to gradual and continuous improvements in overall company performance.

The moderation analysis demonstrates that organizational culture amplifies the relationship between leadership style and employee performance. This interaction effect is supported by a t-value of 3.401 and a significance level of 0.001 (<0.05), which is well below the 0.05 criterion. The findings suggest that leadership practices become more impactful when embedded within a strong and coherent organizational culture. Conceptually, organizational culture operates as a framework of shared norms and values that shape employee behavior. When a culture promotes discipline, collaboration, and performance orientation, it reinforces leadership direction and facilitates the translation of managerial guidance into enhanced performance results.

Further analysis indicates that organizational culture also strengthens the association between work loyalty and employee performance. The interaction effect yields a t-value of 2.760 with a significance level of 0.006, confirming the moderating role of culture. This evidence implies that employee loyalty generates a stronger contribution to performance when supported by a positive and well-established organizational culture. In an environment characterized by shared commitment and supportive values, loyal employees are more likely to translate their dedication into tangible performance improvements.

E. CONCLUSION

This research was conducted to examine how leadership style and work loyalty influence employee performance, while considering organizational culture as a moderating variable at PT Smart Retail Perkasa. Using a quantitative causal approach, the analysis generated several important conclusions regarding the relationships among these variables.

The findings demonstrate that leadership style contributes significantly to employee performance. Effective leadership practices that provide direction, encouragement, and structured coordination are associated with improved employee outcomes. This suggests that leadership plays a central role in shaping productive work behavior and ensuring that organizational goals are achieved efficiently.

Work loyalty was also found to positively influence employee performance. Employees who display strong commitment and dedication to the organization tend to show higher levels of responsibility, consistency, and engagement in their tasks. Such attitudes translate into better quality and quantity of work results, reinforcing the importance of loyalty as an internal driver of performance.

In addition, organizational culture not only has a direct positive relationship with employee performance but also strengthens the effect of leadership style on performance outcomes. A culture characterized by discipline, shared values, and goal

orientation enhances the effectiveness of leadership initiatives. When cultural norms align with managerial direction, employees are more capable of translating leadership guidance into measurable performance improvements.

Similarly, organizational culture intensifies the relationship between work loyalty and employee performance. Loyalty becomes more impactful in environments where shared principles, stability, and clear standards are consistently maintained. In this sense, culture functions as a contextual mechanism that reinforces the combined effects of leadership and loyalty in determining performance levels.

Overall, employee performance emerges as a multidimensional outcome shaped by both individual and organizational determinants. Leadership style and work loyalty operate as key internal and relational drivers, while organizational culture provides the structural environment that amplifies their influence. The results of this causal analysis confirm the presence of statistically meaningful relationships among the examined constructs. Therefore, initiatives aimed at improving employee performance should integrate leadership development, strategies to foster loyalty, and the cultivation of a strong organizational culture aligned with organizational vision and objectives.

Nevertheless, several limitations must be considered. The study was confined to a single company, which may restrict the applicability of the findings to broader organizational settings. The reliance on self-reported survey data introduces the possibility of response bias. Furthermore, the relatively limited number of respondents may influence the robustness of statistical estimation. External determinants such as macroeconomic conditions or social dynamics were not incorporated into the model, and the cross-sectional design does not allow observation of long-term changes. Future research is encouraged to apply broader samples, longitudinal designs, and additional contextual variables to obtain more comprehensive insights.

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