

**THE INFLUENCE OF WORK CULTURE, MORALITY AND LEADERSHIP ON PERFORMANCE
MEDIATED BY ORGANIZATIONAL COMMITMENT
IN EMPLOYEES PLN UP2D ACEH**

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ABSTRACT

The purpose of this study was to investigate the impact of Ethical Work Culture and Leadership on Employee Performance, with Organizational Commitment as a mediating factor for employees at PLN UP2D Aceh. A quantitative methodology was adopted, and data were collected through a survey administered to 41 participants. The analysis used Partial Least Squares–Structural Equation Modeling (PLS-SEM) to examine the direct and indirect correlations between the study variables. The findings indicate that Ethical Work Culture positively contributes to Employee Performance and Organizational Commitment, while Leadership significantly influences Organizational Commitment but has no direct impact on Employee Performance. Furthermore, it was shown that Organizational Commitment acts as a mediator in the influence of Ethical Work Culture and Leadership on Employee Performance. These results emphasize that fostering a work environment based on ethical principles and strong leadership is crucial for improving employee performance by strengthening organizational commitment.

Introduction

PT PLN (Persero) is a State-Owned Enterprise that plays a vital role in providing electricity, which is crucial for national development, including in Aceh Province. Reliability and quality of electricity supply are not only basic needs for the community, but also contribute significantly to economic growth and social welfare. To achieve these goals, PLN must have professional and competent human resources capable of delivering optimal performance. This situation requires the implementation of effective human resource management, which can be achieved through strengthening work culture and implementing leadership that inspires employee motivation and performance. As a

demonstration of the government's commitment through PLN to fostering professional work behavior and integrity, the AKHLAK work culture was established, which highlights values such as Trustworthy, Competent, Harmonious, Loyal, Adaptive, and Collaborative. This work culture serves as a guideline for all employees in carrying out their duties, building team synergy, and improving the quality of service to the community. Consistent implementation of this work culture is believed to increase employee loyalty, strengthen integrity, and create a conducive work environment to support the achievement of optimal performance. Previous research shows that a strong organizational culture has a positive influence on employee job satisfaction and performance, because work culture shapes the values, norms, and behaviors expected in the organization (Effendi, 2016; Mangkunegara, 2017).

In addition to work culture factors, leadership is also a crucial element influencing employee performance. The way a leader or superior leads significantly motivates employees to perform their best. Good leadership can boost employee confidence, responsibility, and commitment to their work and the organization. Leaders who provide clear direction, adequate support, and recognition for employee achievement can boost employee performance and build long-term loyalty. This is in line with research by Rakhma et al. (2022), which shows that transformational leadership significantly impacts employee performance by increasing motivation and commitment to the organization. However, the influence of work culture and leadership on employee performance is not always direct. Commitment to the organization functions as a mediating variable that can strengthen the relationship between work culture, leadership, and employee performance. Employees with high organizational commitment typically demonstrate high levels of responsibility, discipline, and loyalty in their duties. Furthermore, organizational commitment can also reduce negative behaviors, such as high absenteeism, low participation in organizational activities, and decreased work morale. Various previous studies have shown that organizational commitment has a significant influence in improving the effectiveness of employee performance in state-owned enterprises (BUMN), including PT PLN (Persero) (Greenhaus & Allen, 2017; Dessler, 2019). In the context of PT PLN UP2D Aceh, the challenges in managing human resources are quite complex. Employees must not only achieve operational targets but also face varying geographical conditions, limited infrastructure in some areas, and increasing public expectations regarding the quality of electricity services. Therefore, research on the influence of AKHLAK work culture and leadership on employee performance with organizational commitment as a mediating variable is highly relevant to be carried out. This research is expected to provide practical contributions to PLN management in improving human resource management, strengthening a productive work culture, and creating leadership that can encourage continuous improvement in employee performance. By understanding the relationship between work culture and leadership on employee performance through the role of organizational commitment, PLN UP2D Aceh is expected to design more appropriate and effective human resource management strategies. The resulting improvement in individual performance will not only affect the achievement of overall organizational performance but also support the achievement of reliable, quality, and sustainable electricity services for the people of Aceh.

Formulation of the problem

Based on the previous explanation, this study aims to answer the following main questions:

1. Does the AKHLAK work culture have a positive and significant effect on the performance of employees at PT PLN UP2D Aceh?
2. Does Leadership have a positive and significant effect on the performance of employees at PT PLN UP2D Aceh?
3. Does the AKHLAK work culture have a positive and significant effect on the organizational commitment of employees at PT PLN UP2D Aceh?
4. Does Leadership have a positive and significant effect on the organizational commitment of employees at PT PLN UP2D Aceh?
5. Does Organizational Commitment have a positive and significant effect on the performance of employees at PT PLN UP2D Aceh?
6. Does the AKHLAK work culture have a positive and significant effect on Employee Performance through Organizational Commitment at PT PLN UP2D Aceh?

Does Leadership have a positive and significant effect on Performance through Organizational Commitment at PT PLN UP2D Aceh?

Research purposes

After identifying the problem, the objectives of this research are as follows:

1. To test and analyze the influence of the AKHLAK work culture on the performance of employees at PT PLN UP2D Aceh.
2. To test and analyze the influence of Leadership on the performance of employees at PT PLN UP2D Aceh.
3. To test and analyze the influence of the AKHLAK work culture on the organizational commitment of employees at PT PLN UP2D Aceh.
4. To test and analyze the influence of Leadership on the organizational commitment of employees at PT PLN UP2D Aceh.
5. To test and analyze the influence of Organizational Commitment on the performance of employees at PT PLN UP2D Aceh.
6. To test and analyze the influence of the AKHLAK work culture on Performance through Organizational Commitment at PT PLN UP2D Aceh.
7. To test and analyze the influence of Leadership on Performance through Organizational Commitment at PT PLN UP2D Aceh.

Benefits of research

1. Academic Excellence

- a. Helps improve human resource management theory, particularly regarding the relationship between AKHLAK work culture, leadership, organizational commitment, and employee performance.
- b. To be a scientific resource for future researchers who investigate the influence of work culture and leadership on employee performance, using organizational commitment as a mediating factor.

2. Real World Advantages

- a. Provide insight to the management of PT PLN UP2D Aceh in their efforts to improve employee performance by increasing the implementation of the AKHLAK work culture and implementing an effective leadership style.
- b. Assist management in developing plans to increase organizational dedication to strengthen the relationship between work culture, leadership, and employee performance.
- c. Act as a resource for employees to understand the importance of loyalty to the organization and the impact of work culture and leadership on improving individual performance.

3. Benefits for the Community

- a. Improve the quality of service from PT PLN (Persero) to the people of Aceh by improving employee performance.
- b. Support the evolution of a more skilled and effective electricity sector that contributes to community welfare and economic progress in the Aceh region.

Literature Review

Employee Performance

According to Dessler (2023): Employee performance includes the achievement of work targets, competence, initiative, and work behavior that supports organizational success. According to Robbins & Judge (2021) Performance is the result of individual or group work in achieving organizational goals by considering quality, quantity, and time standards.

Employee Performance Indicators

According to Dessler (2023), indicators of employee performance are:

1. Work quality, accuracy and perfection of work results
2. Work quantity, the amount of work completed within a specific period.
3. Timeliness, the ability to complete work according to set deadlines.
4. Work discipline, compliance with regulations, procedures, and work ethics.
5. Initiative and creativity, the ability to provide new ideas or solutions to work problems.
6. Responsibility, awareness and commitment to complete work according to organizational standards.

Factors Influencing Performance

According to Dessler (2022), performance is influenced by three main factors, namely:

1. Ability, the knowledge and skills possessed by employees.
2. Motivation, the internal drive to achieve work goals.
3. Work Environment, the physical and social conditions that support task execution.

AKHLAK Work Culture

According to Mulyadi (2022): AKHLAK work culture is the overall attitude, behavior, and work habits based on moral and ethical principles, and can increase employee productivity and loyalty. According to Rakhmawati (2021), AKHLAK work culture is the integration of

professional ethics, social responsibility, and work discipline that supports the achievement of optimal performance.

Indicators of AKHLAK Work Culture

According to Rakhmawati (2021), the indicators commonly used to measure AKHLAK work culture are:

1. Honesty, carrying out tasks according to rules without cheating or hiding facts.
2. Discipline, punctuality and adherence to work procedures.
3. Responsibility, awareness in completing tasks with full integrity.
4. Cooperation, the ability to work together with colleagues while respecting ethics and norms.
5. Social concern, paying attention to the welfare of fellow employees and the work environment.

Integrity, consistency between words, attitudes, and actions according to the organization's moral values.

Leadership

According to Northouse (2021): Leadership is the interaction between a leader and followers intended to achieve common goals. According to Lussier & Achua (2022), Leadership is the art of influencing others to contribute voluntarily to achieve organizational goals.

Leadership Indicators

According to Lussier & Achua (2022) above, leadership indicators are:

1. Motivational ability, Encouraging subordinates to achieve work targets with enthusiasm and discipline.
2. Communication skills, Conveying information and instructions clearly, effectively, and timely.
3. Decision making, Able to make fair, accurate, and appropriate decisions according to organizational needs.
4. Providing direction and guidance, Guiding subordinates in completing tasks effectively.
5. Ability to lead change, Helping subordinates adapt to organizational or technological changes.

Organizational Commitment

According to Armstrong (2022): Organizational commitment reflects employee loyalty to the organization and the willingness to support organizational success.

According to Luthans (2021): Organizational commitment is the individual's attachment to the values, goals, and mission of the organization, reflected in daily work behavior.

Indicators of Organizational Commitment

According to Luthans (2022):, indicators of Organizational Commitment are:

1. Affective commitment, Emotional attachment to the organization.

2. Continuance commitment, Awareness of the costs to be borne if leaving the organization.
 3. Normative commitment, A sense of moral obligation to remain in the organization.
 4. Loyalty to the organization, Willingness to support organizational goals.
 5. Compliance with rules, Following organizational regulations and procedures.
- Active participation, Activeness in organizational activities and contribution to goal achievement.

Conceptual Framework

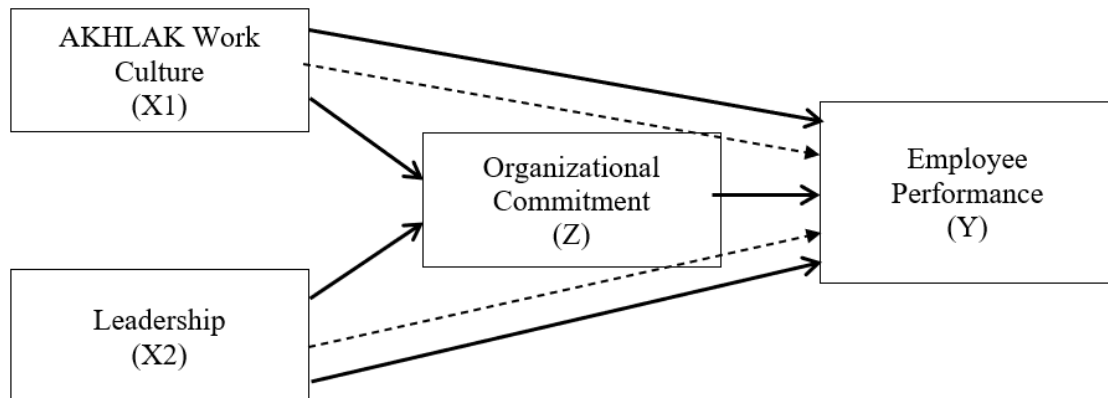


Figure I Conceptual Framework

Research Hypothesis

1. The AKHLAK work culture has a positive and significant effect on Employee Performance at PLN UP2D Aceh.
2. Leadership has a positive and significant effect on Employee Performance at PLN UP2D Aceh.
3. The AKHLAK work culture has a positive and significant effect on the Organizational Commitment of employees at PLN UP2D Aceh.
4. Leadership has a positive and significant effect on the Organizational Commitment of employees at PLN UP2D Aceh.
5. Organizational Commitment has a positive and significant effect on Employee Performance at PLN UP2D Aceh.
6. The AKHLAK work culture has a positive and significant effect on Employee Performance through Organizational Commitment at PLN UP2D Aceh.
7. Leadership has a positive and significant effect on Employee Performance through Organizational Commitment at PLN UP2D Aceh.

Research Type

According to Sugiyono (2017), quantitative research is research whose data is in the form of numbers and is analyzed using statistical techniques to test predetermined hypotheses. Quantitative research is often used to determine the influence of independent variables on dependent variables.

Population and Sample

According to Sugiyono (2017), population is a group of research subjects that have one or several specific characteristics determined by the researcher to be studied and concluded. In this study, the population is all employees of PLN UP2D Aceh, totaling 41 people.

According to Sekaran & Bougie (2016), a sample is a subject or research unit selected from a population with the aim of drawing conclusions about that population. Because the population size is relatively small (41 people), this study uses a saturated sample (census sampling). A saturated sample means that all members of the population are used as research samples, so the obtained data will represent the entire population completely.

Research Time and Place

Research Place

This research was conducted at PLN UP2D Aceh, located at: Jalan Tentara Pelajar No. 11, Baiturrahman District, Merduati, Banda Aceh. This location was chosen because all employees of PLN UP2D Aceh are relevant research objects for directly measuring the variables of AKHLAK work culture, leadership, organizational commitment, and employee performance.

Research Time

This research was conducted from November to December 2025, According to Sugiyono (2017), determining the time and place of research is important so that the research can be carried out systematically, controlled, and can minimize disturbances that affect data quality.

Method of collecting data

The data collection method in this study was through a questionnaire. A questionnaire is a data collection technique that involves giving participants a series of written questions to gather necessary information in an organized and systematic manner. Questionnaires are considered effective in quantitative studies because they can gather information from a large group of participants in a more timely manner (Sugiyono, 2017).

Research Data Sources

Researchers use data sources to gather relevant information to address research problems and evaluate hypotheses. In this study, two categories of data sources were used: primary data and secondary data.

Primary Data Sources

Primary data refers to information collected directly from participants through the researcher's data collection efforts. This data is considered highly accurate because it comes directly from the research subjects and is relevant to the research objectives (Sugiyono, 2017).

Data Analysis Techniques

SmartPLS software was used in this study to process and analyze the collected data. SmartPLS operates on Partial Least Squares–Structural Equation Modeling (PLS-SEM), which helps examine relationships between latent variables, both reflective and formative. PLS-SEM was chosen based on its ability to analyze data with smaller sample sizes, the absence of a normal distribution requirement, and its ability to handle complex research frameworks, including those with mediating and moderating variables (Hair, Hult, Ringle, & Sarstedt, 2017).

Data analysis in this study was carried out in stages, starting with an assessment of the measurement model followed by testing the structural model, which is described as follows:

Measurement Model Testing

During this phase, each latent variable is defined using a variety of relevant and representative indicators. Next, the validity and reliability of the indicators are evaluated to ensure their suitability in representing the construct being assessed. Reliability is tested using Cronbach's Alpha and Composite Reliability, while validity is determined using Average Variance Extracted (AVE) and discriminant validity. This testing phase aims to ensure all indicators effectively measure the research variables accurately and consistently.

Structural Model Testing

Structural model testing aims to evaluate the causal relationships among latent variables within a research framework. This evaluation involves analyzing path coefficients, t-statistics, and R-squared values. The findings from this analysis contribute to an understanding of the direct, indirect (mediation), and moderating effects between variables, aligning with the research objectives and hypotheses.

Interpretation and Conclusion Drawing

The results generated by SmartPLS are analyzed to determine the nature and strength of the relationships between variables. Conclusions are drawn based on the level of significance of the relationships between variables, the role of indicators in representing latent variables, and the model's capacity to explain variation in the dependent variable. This phase helps researchers understand the mechanisms of influence between the studied variables and lays the foundation for developing practical implications and recommendations for organizations.

Results and Discussion

Outer Model Analysis

External model evaluation, also known as measurement model evaluation, is conducted to identify the precise relationships between latent variables and their

corresponding indicators. The purpose of this evaluation is to verify that all indicators used in the study meet validity and reliability standards, making them suitable for further analysis. External model assessment includes testing for convergent validity, discriminant validity, and construct reliability.

Tables, Figures and Formulas

Each table or figure is given a serial number, title, according to the contents of the table and figure, and the source of the citation if any. The source of the citation is written under the table or figure, Times New Roman font size 10. The title of the table is written above the table and the title of the figure is written below the figure. Formulas are created using the Equation feature in Microsoft Word.

Convergent Validity

Convergent validity in a measurement model featuring reflective indicators can be assessed by examining the level of correlation between the indicator scores and the scores of the constructs they represent. An indicator is considered valid if its external loading value exceeds 0.70. However, during the research development phase, external loading values ranging from 0.50 to 0.60 were still considered acceptable. External loading test statistics indicate that several indicators have loading values lower than 0.60 and are insignificant. Thus, these indicators require further examination before proceeding to testing the structural model. The structural model associated with this research is illustrated in the figure below.

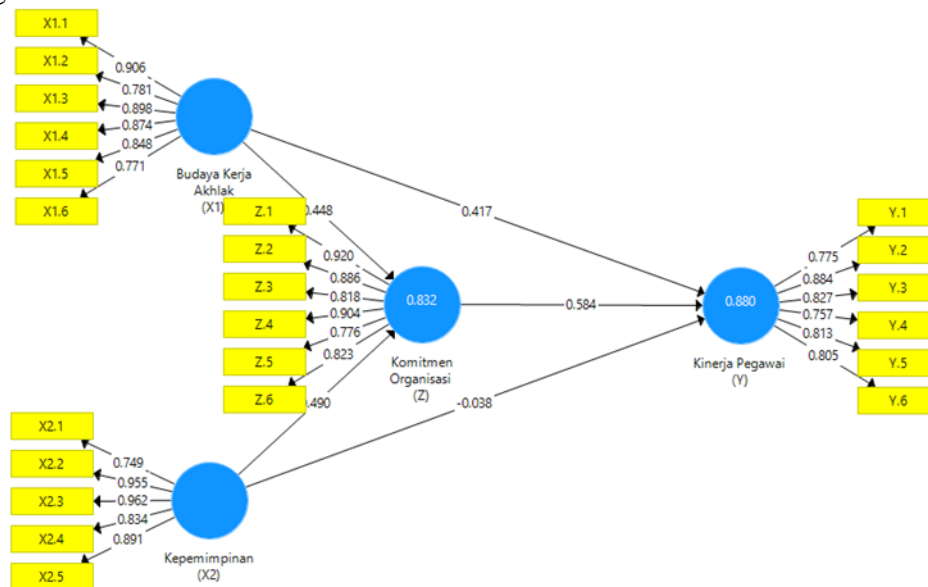


Figure 2. Outer Model

Source: Smart PLS 3.3.3

The Smart PLS output for loading factor gives the results in the following table: Outer Loadings In this study there is an equation and the equation consists of two substructures for substructure 1

$$Z = b1X1 + b2X2 + e1$$

$$Z = 0.448 + 0.490 + e1$$

For substructure 2

$$Y = b3X1 + b4X2 + b5Z + e2$$

$$Y = 0.417 - 0.038 + 0.584 + e2$$

Table 1. Outer Loadings

	Moral Work Culture_(X1)	Leadership_(X2)	Employee Performance_(Y)	Organizational Commitment_(Z)
X1.1	0.906			
X1.2	0.781			
X1.3	0.898			
X1.4	0.874			
X1.5	0.848			
X1.6	0.771			
X2.1		0.749		
X2.2		0.955		
X2.3		0.962		
X2.4		0.834		
X2.5		0.891		
Y.1			0.775	
Y.2			0.884	
Y.3			0.827	
Y.4			0.757	
Y.5			0.813	
Y.6			0.805	
Z.1				0.920
Z.2				0.886
Z.3				0.818
Z.4				0.904
Z.5				0.776
Z.6				0.823

Source: Smart PLS 3.3.3

Table 1 illustrates that each indicator has an outer loading value exceeding 0.70, indicating that each indicator effectively represents the underlying construct being evaluated. For the AKHLAK Work Culture variable (X1), the outer loading value ranges from 0.771 to 0.906. The Leadership variable (X2) displays an outer loading value that is between 0.749 and 0.962. In addition, the Employee Performance variable (Y) shows an outer loading value from 0.757 to 0.884, while the Organizational Commitment variable (Z) has an outer loading value that ranges between 0.776 and 0.920. These results indicate that all indicators meet convergent validity standards and are considered suitable for the next phase of analysis, strengthening the reliability and construct validity of the research model

Discriminant Validity

The next phase in assessing the external model involves examining discriminant validity, which aims to confirm that each indicator correlates more strongly with its designated latent construct than with other latent constructs. Discriminant validity is evaluated by examining the cross-loading values between indicators. An indicator is considered valid if the cross-loading value for its own construct exceeds the cross-loading value for the other constructs. The following table presents the results of the cross-loading assessment, which serves as the basis for determining discriminant validity.

Table 2. Discriminant Validity

	Moral Work Culture_(X1)	Leadership_(X2)	Employee Performance_(Y)	Organizational Commitment_(Z)
X1.1	0.906	0.896	0.775	0.808
X1.2	0.781	0.729	0.853	0.820
X1.3	0.898	0.740	0.777	0.717
X1.4	0.874	0.726	0.740	0.691
X1.5	0.848	0.763	0.756	0.772
X1.6	0.771	0.648	0.645	0.658
X2.1	0.602	0.749	0.656	0.650
X2.2	0.821	0.955	0.744	0.837
X2.3	0.827	0.962	0.755	0.838
X2.4	0.847	0.834	0.809	0.740
X2.5	0.803	0.891	0.785	0.834
Y.1	0.686	0.682	0.775	0.761
Y.2	0.753	0.782	0.884	0.841
Y.3	0.793	0.679	0.827	0.779
Y.4	0.738	0.698	0.757	0.678
Y.5	0.689	0.650	0.813	0.642
Y.6	0.716	0.651	0.805	0.753
Z.1	0.819	0.900	0.839	0.920
Z.2	0.790	0.774	0.855	0.886
Z.3	0.715	0.733	0.735	0.818
Z.4	0.769	0.848	0.800	0.904
Z.5	0.697	0.586	0.674	0.776
Z.6	0.743	0.690	0.803	0.823

Source: Smart PLS 3.3.3

Table 2 illustrates that each indicator shows the highest loading value related to the construct it represents compared to other constructs. This can be seen in the indicators that form the variables of AKHLAK Work Culture (X1), Leadership (X2), Employee Performance (Y), and Organizational Commitment (Z), where each indicator has the

maximum loading value related to its main variable. Therefore, all constructs examined in this study have met the benchmark of discriminant validity, which means that each variable can clearly separate its indicators from different constructs in the research model.

Composite Reliability

Composite reliability evaluation was conducted to determine the level of internal consistency for each latent variable in the research model. A construct is considered to have good reliability if its composite reliability score exceeds 0.60. In addition to composite reliability, reliability assessment is also supported by Cronbach's Alpha and Average Variance Extracted (AVE) values. If the Cronbach's Alpha and composite reliability values are higher than the specified threshold, and the AVE value meets the criteria, the construct is classified as reliable and valid. The results of the construct reliability and validity testing in this study are shown in the following table.

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Moral Work Culture_(X1)	0.921	0.939	0.719
Leadership_(X2)	0.926	0.945	0.778
Employee Performance_(Y)	0.896	0.920	0.658
Organizational Commitment_(Z)	0.926	0.942	0.733

Source: Smart PLS 3.3.3

Table 3 illustrates that all constructs have Cronbach's Alpha scores exceeding 0.70 and composite reliability scores exceeding 0.80. These findings indicate that each variable in this study exhibits a strong level of internal consistency. Furthermore, the Average Variance Extracted (AVE) for each construct is higher than 0.50, confirming that all variables meet the convergent validity criteria. Thus, the constructs of AKHLAK Work Culture (X1), Leadership (X2), Employee Performance (Y), and Organizational Commitment (Z) can be considered reliable and valid, making them suitable for the next phase of analysis.

Internal Model Analysis

Structural model assessment (internal model) was conducted to evaluate the accuracy and robustness of the structural model developed in this study. The purpose of internal model testing was to ensure that the relationships between latent variables in the model demonstrated adequate accuracy and consistency. The structural model evaluation considered several important indicators, including:

Coefficient of Determination (R²)

By processing the data with the SmartPLS version 3.0 application, the coefficient of determination (R²) was calculated for each endogenous variable. The R² value represents

the degree to which the independent variable can explain the observed changes in the dependent variable. The results of the R² calculation are shown in the following table.

Table 4. R Square Results

	R Square	Adjusted R Square
Employee Performance _(Y)	0.880	0.870
Organizational Commitment _(Z)	0.832	0.823

Source: Smart PLS 3.3.3

Table 4 illustrates that the R-squared value for the Employee Performance (Y) aspect is 0.880, accompanied by an adjusted R-squared figure of 0.870. This means that 88.0% of the differences in employee performance can be attributed to the independent variables in the research framework, while the remainder is due to other elements not accounted for in the model. In addition, the Organizational Commitment (Z) aspect has an R-squared value of 0.832 and an adjusted R-squared figure of 0.823, indicating that 83.2% of the variability in organizational commitment can be attributed to the variables used in this study. In summary, these findings reflect that the research framework has strong predictive capacity for both dependent variables.

Hypothesis Testing

After evaluating the structural model, the next phase involves analyzing the relationships between the latent constructs as stated in the research hypotheses. Hypothesis evaluation is performed by examining the T-statistic and P-value generated from the SmartPLS analysis. The hypothesis is accepted if the T-statistic exceeds 1.96 and the P-value is below 0.05. The results of the path coefficient test, which describes the direct effects between variables in the research model, are presented below.

Table 5. Path Coefficients (Direct Effect)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Moral Work Culture_(X1) -> Employee Performance _(Y)	0.417	2,545	0.006	Accepted
Work Culture Morals_(X1) -> Organizational Commitment _(Z)	0.448	3,386	0,000	Accepted
Leadership_(X2) -> Employee Performance _(Y)	-0.038	0.216	0.415	Rejected
Leadership_(X2) -> Organizational Commitment _(Z)	0.490	3,428	0,000	Accepted
Organizational Commitment _(Z) -> Employee Performance _(Y)	0.584	3,820	0,000	Accepted

Source: Smart PLS 3.3.3

1. Moral Work Environment (X1) on Employee Performance (Y)
The findings show a positive and significant impact with a coefficient of 0.417, a T-statistic of 2.545, and a p-value of 0.006. This indicates that improving the moral work environment leads to improved employee performance. The hypothesis is accepted.
2. Moral Work Environment (X1) towards Organizational Commitment (Z)
A positive and significant effect was observed with a coefficient of 0.448, a T statistic of 3.386, and a p-value of 0.000. This indicates that a positive moral work environment increases employee organizational commitment. The hypothesis is accepted.
3. Leadership (X2) on Employee Performance (Y)
The effect was not significant, showing a coefficient of -0.038, a T statistic of 0.216, and a p-value of 0.415. This indicates that leadership does not have a direct influence on employee performance within this framework. The hypothesis was rejected.
4. Leadership (X2) towards Organizational Commitment (Z)
There is a positive and significant impact with a coefficient of 0.490, a T statistic of 3.428, and a p-value of 0.000. This implies that effective leadership increases employee organizational commitment. The hypothesis is accepted.
5. Organizational Commitment (Z) to Employee Performance (Y)
There is a positive and significant influence with a coefficient of 0.584, a T statistic of 3.820, and a p-value of 0.000. This indicates that higher organizational commitment directly improves employee performance. The hypothesis is accepted.

Table 6. Path Coefficients (Indirect Effect)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Work Culture Morals_(X1) -> Organizational Commitment _(Z) -> Employee Performance _(Y)	0.261	3,140	0.001	Accepted
Leadership_(X2) -> Organizational Commitment _(Z) -> Employee Performance _(Y)	0.286	2,171	0.015	Accepted

Source: Smart PLS 3.3.3

1. Ethical Work Environment (X1) through Organizational Loyalty (Z) towards Workforce Performance (Y) The findings show a positive and significant impact with a coefficient of 0.261, a T-statistic of 3.140, and a p-value of 0.001. This indicates that organizational loyalty acts as a mediator, increasing the influence of an ethical work environment on employee performance. The hypothesis is accepted.
2. Management (X2) through Organizational Loyalty (Z) towards Workforce Performance (Y) A positive and significant impact was observed with a coefficient of 0.286, a T-statistic of 2.171, and a p-value of 0.015. This indicates that organizational loyalty

mediates the relationship between management and employee performance, thus the hypothesis is accepted.

Conclusion

Based on the research findings mentioned above and the data analysis process that has been carried out, the researcher provides a summary of the findings with the following conclusions:

1. **The Impact of an Ethical Work Environment on Employee Performance**
An ethical work environment positively and significantly influences employee performance, meaning that improving this environment leads to improved employee performance.
2. **The Impact of an Ethical Work Environment on Organizational Loyalty**
An ethical work environment positively and significantly contributes to organizational loyalty, meaning that a positive ethical environment increases employee attachment to the organization.
3. **Impact of Management on Employee Performance**
Management does not directly influence employee performance, indicating that in this model, management does not lead to improved performance.
4. **Impact of Management on Organizational Loyalty**
Management has a positive and significant influence on organizational loyalty, indicating that effective management can increase employee commitment and engagement.
5. **Impact of Organizational Loyalty on Employee Performance**
Organizational loyalty positively and significantly influences employee performance, underscoring that employee commitment is crucial for improving performance.
6. **Ethical Work Environment through the Impact of Organizational Loyalty on Workforce Performance**
An ethical work environment has a positive and significant indirect effect on employee performance through organizational loyalty, which illustrates the mediating role of organizational loyalty in strengthening the effects of an ethical work environment.
7. **Management through the Impact of Organizational Loyalty on Workforce Performance**
Management has a positive and significant indirect influence on workforce performance through organizational loyalty, which confirms that the impact of management on performance occurs through increased employee commitment.

Suggestions

1. Management is advised to continue instilling strong AKHLAK values and work ethics in the company environment through socialization, training, and supervision. A good work culture has been proven to improve employee performance and strengthen organizational commitment.
2. The company needs to develop leadership abilities that encourage open communication, care, and employee motivation. Effective leadership is able to increase employee commitment, which in turn has a positive impact on performance.
3. Efforts to strengthen employee attachment through reward programs, career development, and a conducive work environment are very important, because

organizational commitment has been proven to improve employee performance, both directly and as a mediator.

4. The company can design human resource development programs that combine the cultivation of AKHLAK work culture and effective leadership to achieve optimal performance improvement.

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