

# The Influence Of Leadership Style And Organizational Culture On Employee Performance Through Job Satisfaction As An Intervening Variable In The Environmental Service Of East Luwu Regency

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## Abstract

This study aims to determine the effect of leadership style and organizational culture on employee performance with job satisfaction as an intervening variable at the Environmental Service of East Luwu Regency. This type of research uses quantitative research. The population in this study were all employees of the Environmental Service of East Luwu Regency. Data were collected through questionnaires with a sampling technique using saturated sampling techniques, where the entire population was used as a research sample (census sample), so that the sample size used in this study was 76 respondents. The data analysis techniques used were descriptive analysis and Partial Least Squares (PLS) analysis. Based on the results of the study, the following conclusions can be drawn: 1) Leadership style has a negative and significant effect on employee performance; 2) Organizational culture has a positive and significant effect on employee performance; 3) Leadership style has a positive and significant effect on job satisfaction; 4) Organizational culture has a positive and significant effect on job satisfaction; 5) Employee performance has a positive and significant effect on job satisfaction; and 6) Job satisfaction can mediate between leadership style and work culture variables and employee performance variables.

**Keywords:** Leadership\_Style; Organizational\_Culture; Employee\_Performance; Jo\_Satisfaction.

## 1. Introduction

The performance of the state civil service (ASN) is a strategic factor in developing modern governance. Professional, high-performing, and integrity-driven ASN are key to the bureaucracy's success in providing quality public services and fostering public trust in the government. It is not surprising that improving ASN performance has always been a primary focus of Indonesia's bureaucratic reform program. However, ASN performance in various regions remains suboptimal. The Ministry of Administrative and Bureaucratic Reform (2023) reported that the average ASN performance in local governments only reached 82.6% of the set target. This situation demonstrates the persistent gap between bureaucratic performance targets and the reality on the ground.

The level of job satisfaction of civil servants (ASN) is a crucial component in determining their performance. Satisfied ASN employees tend to have higher motivation, stronger loyalty, and greater commitment to achieving organizational goals. However, the latest survey by the National Civil Service Agency (BKN, 2022) regarding the ASN Job Satisfaction Index shows that the national score is only 78.5 (quite satisfied), with the lowest dimensions being career development opportunities, work environment, and performance rewards. BKN data (2023) also noted that in South Sulawesi Province, the ASN satisfaction index only reached 79.2, still below the national target of 85. This confirms that ASN job satisfaction, particularly in the regions, remains a serious issue that impacts bureaucratic productivity and performance.

In a regional context, a similar situation is seen at the Luwu Timur Regency

Environmental Agency. According to the 2023 Government Agency Performance Report (LKjIP), Key performance indicators have only reached 83% of the target. Internal evaluations indicate that low employee job satisfaction is a contributing factor to the suboptimal performance. Employees feel career development opportunities are limited, internal communication is ineffective, and workloads are not always balanced with the existing reward system. This situation emphasizes the importance of a leadership style that provides direction and inspiration, as well as an organizational culture that .

Besides leadership, organizational culture is also a crucial foundation for encouraging productive work behavior. A good organizational culture is characterized by mutually agreed-upon values, norms, and work practices, which serve as guidelines for employees' actions. Sani (2020) demonstrated that organizational culture significantly influences performance through the internalization of productive work values. However, research findings in different contexts often show variation. [1] found that organizational culture had no significant effect on performance when employee job satisfaction was low. This demonstrates that organizational culture does not operate in a vacuum but is influenced by employee psychological well-being, including their level of job satisfaction.

The role of job satisfaction as an intervening variable is also receiving increasing attention in human resource management research.[2] emphasize that job satisfaction can bridge the influence of leadership style and organizational culture on employee performance. Employees who are satisfied with their jobs will demonstrate greater loyalty, dedication, and motivation to deliver optimal performance. However, most previous research has focused on direct effects, without comprehensively examining the psychological mechanisms of how job satisfaction acts as a link between organizational variables and performance.

These findings clearly demonstrate inconsistencies in research results. Some studies found significant effects, while others showed inconsistent results. Furthermore, most research has been conducted in the private sector, state-owned enterprises, or educational institutions, while studies of local government bureaucracies are relatively limited. Yet, local bureaucracies possess distinct characteristics, both in terms of organizational structure, leadership patterns, and available resources.

Thus, there are at least three research gaps that form the basis of this study. First, a contextual gap, where most previous research has been conducted in the non-governmental sector, while studies on regional bureaucracies are still minimal. Second, an empirical gap, where there is a paucity of research linking macro data, such as the national or regional Civil Servant Job Satisfaction Index, with micro studies at the regional organizational level. Third, a theoretical/methodological gap, where there is still limited research that considers job satisfaction as an intervening variable to explain the mechanisms by which leadership style and organizational culture influence employee performance.

Based on the description, this study proposes a conceptual framework that leadership style ( $X_1$ ) and organizational culture ( $X_2$ ) influence employee performance ( $Y$ ) both directly and indirectly through job satisfaction ( $M$ ). With this framework, the study is expected to help enrich the public management literature, while providing real consequences for local governments in formulating policies to strengthen leadership and organizational culture to improve ASN satisfaction and performance.

Specifically, this research aims to:

1. Analyze and test the influence of leadership style on employee performance.
2. Analyze and test the influence of organizational culture on employee performance.
3. Test the influence of leadership style on job satisfaction.
4. Testing the influence of organizational culture on job satisfaction.
5. Analyze and test the influence of employee performance on job satisfaction.
6. Test the role of job satisfaction as *avariabile intervening* in the relationship between leadership style and organizational culture on employee performance.

Based on the description, a study was conducted on the influence of leadership style and organizational culture on employee performance through job satisfaction as an intervening variable, a case study at the East Luwu Regency Environmental Service to determine the relationship between the four variables.

### **Leadership Style**

Leadership is the ability to influence, direct, and motivate others to achieve organizational goals effectively and efficiently. [3] states that leadership style is a consistent pattern of behavior displayed by a leader in interacting with and influencing subordinates. Yukl (2020) adds that effective leadership emphasizes not only the directive aspect but also includes the ability to build trust, create inspiration, and develop a shared vision that can improve group performance. In the context of public bureaucracy, transformational leadership is often a primary focus of research because it is considered capable of increasing motivation, satisfaction, and performance (ASN) using a participatory and visionary approach.

Furthermore, other research indicates that leadership style has a positive and significant influence on employee behavior and performance.[4] emphasized that transformational leaders can foster employee morale and commitment by providing role models, emotional support, and meaning in their work. Similarly,[5] found that communicative and participative leadership style can improve Job satisfaction and loyalty of public sector employees in Indonesia. Meanwhile, research by [6] underscores that an adaptive leadership style is key in facing the challenges of digital bureaucracy, where leaders are required to be flexible and innovative in managing change. Therefore, the ideal leadership style for public organizations is one that balances structural oversight and human resource empowerment.

### **Organizational culture**

Organizational culture consists of a set of values, beliefs, norms, and work practices agreed upon by all members of an organization and used as guidelines for action in the workplace.[7] define organizational culture as a system of shared meaning shared by members that distinguishes one organization from another.[8] emphasize that organizational culture is a crucial foundation for shaping work behavior and creating social stability in the workplace. A strong culture can foster a shared identity, increase loyalty, and strengthen commitment to organizational goals. In public bureaucracy, organizational culture is often associated with work effectiveness and the quality of public services produced by civil servants.

That organizational culture develops through a collective learning process and is passed down from generation to generation within an organization. An adaptive culture will strengthen

an organization's capacity to respond to changes in the external environment, such as technological advances and societal needs. Recent research by [9],[1] explains that a corporate culture that emphasizes the values of innovation, collaboration, and accountability has a positive impact on employee performance and job satisfaction. Similarly, research [10] said that a collaboration-based organizational culture is able to improve *engagement* employees in the public sector. Thus, a strong and engaging organizational culture is an essential prerequisite for creating a bureaucracy with integrity, professionalism, and results-oriented.

### **Job Satisfaction**

Job satisfaction is defined as a positive psychological state resulting from an individual's assessment of a job based on personal expectations, needs, and values. [11] defines job satisfaction as the result of cognitive and affective evaluations of one's work, reflecting the extent to which an individual feels satisfied with their role. [12]add that job satisfaction is influenced by various factors, such as salary, work environment, career opportunities, and relationships between employees. In the context of civil servants (ASN), job satisfaction is a crucial aspect because it directly correlates with employee motivation, commitment, and work productivity in providing public services.

Recent research supports that job satisfaction is an important determinant of employee performance. An empirical study by [2] shows that job satisfaction mediates the relationship between organizational culture and leadership style on employee performance in the government sector. Similarly, [13] found that better welfare and a supportive work environment can increase job satisfaction among civil servants in Indonesia. Thus, creating optimal job satisfaction is an important strategy in strengthening the commitment and performance of public organizations.

### **Employee Performance**

Employee performance is the work results achieved by an individual in completing work according to assigned responsibilities, in terms of quality and quantity.[14] defines performance as the level of achievement of an employee's work results in carrying out obligations assigned by the organization. [15] explain that performance is influenced by two main factors: individual factors (ability, motivation, and job satisfaction) and organizational factors (work systems, leadership, and work environment). In public organizations, employee performance is a benchmark for the bureaucracy's success in carrying out its mission of effective and accountable public service.

In line with this,[16] emphasized that employee performance is not only assessed based on their productivity, but also on their work behavior, loyalty, and contribution to achieving organizational goals. Research [17]shows that ASN performance is significantly influenced by work culture, leadership, and job satisfaction. Furthermore, research [18] highlights that intrinsic motivation and performance-based reward systems play a crucial role in increasing employee productivity across various public sectors. Thus, employee performance reflects the effectiveness of human resource management and is a key factor in building competitive and integrated governance.

## 2. Methodology

This research was conducted using quantitative methods and an explanatory approach. This method was chosen specifically because the main objective of the study was to explain the causal relationship between the variables studied: Leadership Style, Organizational Culture, Job Satisfaction, and Employee Performance. To achieve this goal, a series of statistical hypothesis tests were used. [19] stated that this type of research is very suitable for examining theoretical models and determining the extent of influence. Independent variables on the dependent variable, including the role of mediating variables.

### Population and Sample

This study focused on all employees of the East Luwu Regency Environmental Service (Lutim), a total of 76 people. The researcher decided to use a census technique, or saturation sampling, because this population is small and limited, which means the total sample used is 76 respondents. The census technique is a very appropriate method and is recommended for use when the population size is limited or small, because taking all members of the population as samples can increase the validity and representation of research results to the real conditions in the relevant agency.

### Data Collection Techniques

Data was collected using a survey method through **questionnaire** Likert scale-based (1 = strongly disagree to 5 = strongly agree). This research instrument was developed from previous theory and research, including:

Please create a questionnaire based on the following variable indicators:

- a. Leadership Style ( $X_1$ ): direction, motivation, communication, and decision making [20].
- b. Organizational Culture ( $X_2$ ): prevailing values, norms, and work practices [7].
- c. Job Satisfaction (M): satisfaction with salary, work environment, relationships with coworkers, and career development opportunities [21].
- d. Employee Performance (Y): work quality, work quantity, punctuality, and responsibility [22].

The instruments are tested for validity and reliability before use, to ensure that the measurement results are accurate and consistent.

## 3. Result and Discussion

### 3.1 Result

The Luwu Timur Regency Environmental Agency (DLH) is a vital Regional Apparatus Organization (OPD) tasked with regulating and implementing policies in the field of environmental protection and management in the Luwu Timur Regency area. The uniqueness of this research location lies in its complex geographic and economic context: East Luwu is known as an area with large-scale nickel mining activities (in Sorowako) and is the location of three ancient lakes (Matano, Towuti, and Mahalona) that require intensive conservation efforts. The Lutim DLH is responsible for managing significant environmental challenges, ranging from strict supervision of industrial operations and waste management, to the implementation of conservation programs, environmental management, and urban waste management.

Therefore, the Luwu Timur DLH is a highly relevant location to examine the relationship between Leadership Style and Organizational Culture (independent variables) on Employee Performance (dependent variable), where Job Satisfaction (mediating variable) is key to ensuring employees can work optimally amidst high demands and pressures related to environmental sustainability and regional development.

### Descriptive Analysis

Table 1. K Respondent Characteristics

Characteristics		Amount	Presentation
Gender	Man	30	39,47%
	Woman	46	60,53%
Age	18 – 25 Year	15	19,74%
	26 – 35 Years	35	46,05%
	36 – 45 Year	18	23,68%
	46 – 55 Year	8	10,53%
	≥ 56 Years	-	-
Last education	SD	-	-

Source: Research Data, 2025

The respondents in this study (a total of 76 employees) showed a human resource profile that was relatively young, educated, and predominantly female. The majority of respondents were female (60.53%), indicating that the work dynamics in this agency are heavily influenced by female employee participation. In terms of age, the employee population is in the highly productive range, with nearly half (46.05%) falling within the 26 to 35 age group. This predominance of young age indicates a high potential for energy and adaptability to changes in the work environment. Furthermore, the respondents' educational level was relatively high, with the vast majority (69.74%) having at least a Bachelor's degree (S1), with 19.74% holding a Master's degree. This profile implies that the employees of the East Luwu Regency Environmental Agency (DLH) have sufficient intellectual capacity to handle complex environmental issues, but also likely have high expectations regarding leadership quality, the work environment, and job satisfaction.

### Analysis *Structural Equation Modeling – Partial Least Squares (SEM-PLS) Evaluation of Measurement Model (Outer Model)*

Convergent and discriminant validity, convergent reliability, and Cronbach's alpha were used to analyze the external model. The external model test image is shown

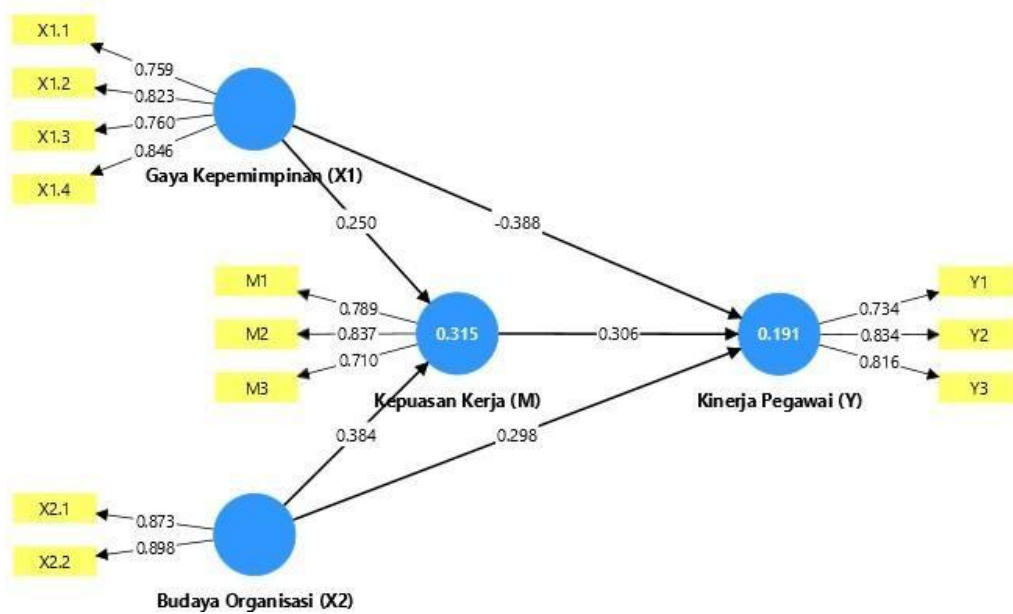


Figure 1. The external model test image

### Convergent Validity Test

Table 2. Factor Loading

	Budaya Organisasi (X2)	Gaya Kepemimpinan (X1)	Kepuasan Kerja (M)	Kinerja Pegawai (Y)
M1			0.789	
M2			0.837	
M3			0.710	
X1.1		0.759		
X1.2		0.823		
X1.3		0.760		
X1.4		0.846		
X2.1	0.873			
X2.2	0.898			
Y1				0.734
Y2				0.834
Y3				0.816

Source: Research Data, 2025

According to Hair et al. (2021), PLS-based Structural Equation Modeling (SEM) has met the Convergent Validity test in Table 2 very well, because all indicators measuring the constructs (Organizational Culture, Leadership Style, Job Satisfaction, and Employee Performance) have loading factor values above the ideal limit of 0.70 (the highest is 0.898 and the lowest is 0.710). The achievement of the value *loading factor* This high level indicates that the research instrument has strong validity and meets the ideal standards set by experts, where each questionnaire item effectively and consistently measures the intended latent construct, thus providing a solid foundation for continuing and interpreting the results of the structural model test, including the mediation test carried out subsequently.

Table 3. Average Variance Extracted (AVE)

	Cronbach's alpha	Composite reliability (rho <sub>c</sub> )	Composite reliability (rho <sub>c</sub> )	Average variance extracte...
Budaya Organisasi (X2)	0.724	0.790	0.870	0.784
Gaya Kepemimpinan (X1)	0.810	0.820	0.875	0.637
Kepuasan Kerja (M)	0.687	0.712	0.823	0.609
Kinerja Pegawai (Y)	0.708	0.711	0.838	0.634

Source: Research Data, 2025

Convergent Validity Test through analysis *Average Variance Extracted* (AVE) is an important criterion established by previous researchers, particularly Fornell and Larcker (1981) and reinforced by Hair, Ringle, and Sarstedt (2017), where the AVE value for each construct must be 0.50 or higher; this result indicates that a construct explains at least 50% of the variance of its indicator. Based on Table 3, all latent variables—Organizational Culture (0.784), Leadership Style (0.637), Job Satisfaction (0.609), and Employee Performance (0.34)—consistently exceed the 0.50 threshold. Thus, this measurement model has strong convergent validity at the construct level, providing methodological confidence that all variables have been measured appropriately and effectively, thus supporting the reliability of the structural model testing results, including the mediation test that has been conducted.

### Discriminant Validity

Table 4. Fornell and larcker

	Budaya Organisasi (X2)	Gaya Kepemimpinan (X1)	Kepuasan Kerja (M)	Kinerja Pegawai (Y)
Budaya Organisasi (X2)	0.885			
Gaya Kepemimpinan (X1)	0.552	0.798		
Kepuasan Kerja (M)	0.522	0.461	0.780	
Kinerja Pegawai (Y)	0.244	-0.082	0.283	0.796

Source: Research Data, 2025

Discriminant Validity Testing using the Fornell and Larcker (1981) Criteria—which remains an important foundation even though the HTMT method is now often preferred by more recent experts such as Hair, Ringle, and Sarstedt—aims to ensure that each construct in the model measures a unique phenomenon and is distinct from the other constructs. This criterion is met if the square root of the AVE, located on the main diagonal of the table, is greater than the correlation values between the variables (located off-diagonal). Based on Table 4, this criterion is met comprehensively for all variables (Organizational Culture, Leadership Style, Job Satisfaction, and Employee Performance). For example, the AVE of Leadership Style (0.798) is greater than the correlations of X1 with the other variables (0.552, 0.461, and 0.283). These consistent results confirm that the Discriminant Validity of your measurement model has been proven, indicating that each latent variable in this study is empirically different from one another, making your measurement model valid and robust.

Table 5. HTML

	Budaya Organisasi (X2)	Gaya Kepemimpinan (X1)	Kepuasan Kerja (M)	Kinerja Pegawai (Y)
Budaya Organisasi (X2)				
Gaya Kepemimpinan (X1)	0.730			
Kepuasan Kerja (M)	0.699	0.568		
Kinerja Pegawai (Y)	0.336	0.145	0.424	

Source: Research Data, 2025

Discriminant Validity Testing through HTMT (Heterotrait-Monotrait Ratio) is the most recent and most stringent method recommended [23] as a more reliable replacement than the Fornell and Larcker Criteria. According to Hair et al. (2023), the HTMT (Heterotrait- Monotrait Ratio) criterion for discriminant validity is that the HTMT test result must be below 0.90 (<0.90). A value <0.90 indicates that the discriminant validity of the constructs studied has been met. Based on Table 5, all HTMT values between variables (such as 0.730 between X2 and X1, 0.568 between X1 and M, and other values that appear below 0.50) are far below the limit of 0.90 (and 0.85). This conclusion strongly confirms that the Discriminant Validity of your measurement model has been met, indicating that the variables Organizational Culture (X2), Leadership Style (X1), Job Satisfaction (M), and Employee Performance (Y) are empirically separate and measure different phenomena, thus providing the highest confidence in the quality and uniqueness of the constructs in this research model.

Table 6. Cross Loading

	Budaya Organisasi (X2)	Gaya Kepemimpinan (X1)	Kepuasan Kerja (M)	Kinerja Pegawai (Y)
M1	0.496	0.374	0.789	0.204
M2	0.440	0.480	0.837	0.205
M3	0.225	0.151	0.710	0.286
X1.1	0.408	0.759	0.325	-0.189
X1.2	0.465	0.823	0.403	0.004
X1.3	0.456	0.760	0.320	0.009
X1.4	0.438	0.846	0.413	-0.085
X2.1	0.873	0.577	0.467	0.141
X2.2	0.898	0.409	0.458	0.283
Y1	0.211	-0.047	0.214	0.734
Y2	0.187	-0.093	0.207	0.834
Y3	0.186	-0.056	0.254	0.816

Source: Research Data, 2025

Discriminant Validity Testing through Cross Loading Analysis is a traditional criterion recommended [23], which complements the Fornell and Larcker Criteria and HTMT. According to the cross loading criterion, each indicator must have the highest load value on the construct,

or latent variable, that it is supposed to measure. This load value must be compared with the load value on other constructs, or cross loadings. Specifically, the value in the construct column itself must be much greater than the value in the construct column of other variables in the same row. Based on Table 6, all indicators in The model has met these criteria; for example, indicators M1, M2, and M3 have the highest loading values in the Job Satisfaction (M) column (0.789 to 0.837) compared to other columns. Perfect compliance with this Cross Loading criterion further strengthens the conclusion that the Discriminant Validity of the research model has been empirically proven, confirming that each indicator validly measures only the intended latent construct.

### Structural Model Evaluation (Inner Model) Hypothesis Testing (Direct Effect)

Structural model evaluation is part of testing the hypothesis of the influence between research variables. Structural model evaluation will be conducted in three stages. First, an Inner VIF value below 5 indicates the absence of multicollinearity between the variables, according to Hair et al. (2021). Second, the p-value is used to test the hypothesis between variables. If the p-value is lower than 0.05, there is a significant effect between the variables. In addition, the results and 95% confidence intervals for the path coefficient parameter estimates must be provided. Third, the f- square value, which indicates the direct effect of the variable on the structural level, is calculated according to the criteria of 0.02 being low, 0.15 being medium, and 0.35 being high. Hair et al. (2021) define the square mediation effect as the  $\epsilon$  statistic obtained by squaring the mediation coefficient. According to Lachowicz et al. (2018), a low mediation effect is 0.02, a medium mediation effect is 0.075, and a high mediation effect is 0.175, respectively.

Table 7. Multicollinearity Test

	VIF
Budaya Organisasi (X2) -> Kepuasan Kerja (M)	1.438
Budaya Organisasi (X2) -> Kinerja Pegawai (Y)	1.653
Gaya Kepemimpinan (X1) -> Kepuasan Kerja (M)	1.438
Gaya Kepemimpinan (X1) -> Kinerja Pegawai (Y)	1.529
Kepuasan Kerja (M) -> Kinerja Pegawai (Y)	1.461

Source: Research Data, 2025

Multicollinearity test, which is assessed through the value *Variance Inflation Factor* (VIF), is an important evaluation in structural modeling (SEM) to avoid excessive correlation among predictor (independent) variables that can distort the path coefficient estimates. Hair et al. (2017) suggest that the VIF value should be below 5 ( $VIF < 5$ ), although a more conservative limit is  $VIF < 3$ . Based on Table 7, all structural relationships in the model show VIF values that are well below the limit of 5 (ranging from 1.438 to 1.653). These low VIF values confirm that

there is no serious multicollinearity problem among the latent variables (Leadership Style, Organizational Culture, and Job Satisfaction) in predicting the dependent variable. By meeting this criterion, the results of the path hypothesis test (such as *Path Coefficient* And *P-Value*) can be considered reliable and unbiased by excessive linear relationships between predictor variables.

Table 8. Hypothesis Testing

Hypothesis	Path Coefficient	P-Value	95% Confidence Interval Path Coefficient		F-square
			Lower Limit	Upper Limit	
Leadership Style (X1) □ Officer Performance (Y)	-0,388	0,009	-0,696	-0,120	0,122
Organizational Culture (X2) □ Officer Performance (Y)	0,298	0,039	0,022	0,597	0,067
Leadership Style (X1) □ Job Satisfaction (M)	0,250	0,018	0,055	0,461	0,063
Organizational Culture (X2) □ Job Satisfaction (M)	0,384	0,000	0,178	0,577	0,150
Job Satisfaction (M) □ Officer Performance (Y)	0,306	0,008	0,098	0,547	0,079

Source: Research Data, 2025

Basic Principles of Decision Making In hypothesis testing, a significance level ( $\alpha$ ) of 5% or 0.05 is generally used. Hypothesis Accepted (Significant): If P-Value  $\leq 0.05$ . This indicates that there is a relationship or influence and is significant between the variables. Hypothesis Rejected (Not Significant): If P-Value  $> 0.05$ . This means that there is no relationship or influence that is significant. 95% Confidence Interval: If the interval (Lower Limit to Upper Limit) does not include zero (0), the hypothesis is considered significant. If the interval includes zero, the hypothesis is not significant. Explanation of Hypothesis Test Results based on P-Value (all values  $\leq 0.05$ ) and Confidence Interval (all intervals do not include 0), all five hypotheses are declared Accepted (significant). The following is a detailed explanation for each hypothesis: Leadership Style (X1) Employee Performance (Y) has a P-Value: 0.009 ( $\leq 0.05$ ) and Path Coefficient: -0.388 which means there is a negative but significant influence of Leadership Style on Employee Performance. The higher (or more effective/positive) the perceived Leadership Style, the lower the Employee Performance tends to be. A negative coefficient indicates an opposite relationship. F-square (Effect Size): 0.122, indicating the influence is at a moderate level.

Organizational Culture (X2) on Employee Performance (Y) has a P-Value: 0.039

( $\leq 0.05$ ) and a Path Coefficient: 0.298, which means there is a positive and significant influence of Organizational Culture on Employee Performance. The stronger the organizational culture, the better the employee performance. F-square (Effect Size): 0.067, indicating the influence is at a low level.

Leadership Style (X1) on Job Satisfaction (M) has a P-Value: 0.018 ( $\leq 0.05$ ) and a Path Coefficient: 0.250, which means there is a positive and significant influence of Leadership Style on Job Satisfaction. A better Leadership Style can increase employee Job Satisfaction. Based on the F-square (Effect Size) obtained, namely 0.063, it shows that the influence is at a low level. Organizational Culture (X2) on Job Satisfaction (M) has a P-Value: 0.000 ( $\leq 0.05$ ) and Path Coefficient: 0.384, which means there is a positive and very significant influence of Organizational Culture on Job Satisfaction. Organizational Culture has the strongest influence (seen from the path coefficient and F-square) and is the most significant in increasing Job Satisfaction. The F-square (Effect Size) obtained is 0.150, indicating that the influence is at a moderate level.

Job Satisfaction (M) on Employee Performance (Y) has a P-Value: 0.008 ( $\leq 0.05$ ) Path Coefficient: 0.306 which means there is a positive and significant influence of Job Satisfaction on Employee Performance where Job Satisfaction improves Employee Performance. Overall, all hypotheses contained in this study were accepted because all P-Values were  $\leq 0.05$ . The most prominent result was that Organizational Culture (X2) was the strongest predictor for Job Satisfaction (M) (Path Coefficient 0.384). Leadership (X1) has a unique result: it increases Job Satisfaction (M), but strangely decreases Employee Performance (Y) (negative Path Coefficient -0.388). This result requires further interpretation in the context of theory and the field (e.g., is the leadership style too lenient and thus decreases productivity, or is the measurement of the style problematic).

Table. 9 Mediation Test

Hypothesis	Path Coefficient	P-Value	95% Confidence Interval Path Coefficient		Upsilon V
			Lower Limit	Upper Limit	
Leadership Style (X1) $\square$ Job Satisfaction (M) $\square$ Officer Performance (Y)	0,076	0,091	0,008	0,184	0,006
Organizational Culture (X2) $\square$ Job Satisfaction (M) $\square$ Officer Performance (Y)	0,118	0,040	0,031	0,235	0,014

Source: Research Data, 2025

Based on the table above, it can be concluded that Job Satisfaction (M) Mediates X1 to Y (Leadership Style  $\rightarrow$  Employee Performance): Significant. Although the P-Value (0.091) is slightly above the conventional limit of 0.05, stronger results from the Bootstrapping test indicate that the 95% Confidence Interval [0.008-0.184] does not include zero (0). According

to Kristopher et al (2004) In the mediation test using Bootstrapping, the Confidence Interval criteria that do not include zero are the strongest evidence and are prioritized to state significant mediation.

Job Satisfaction (M) Mediates X2 to Y (Organizational Culture → Employee Performance): Highly Significant. Both criteria support: P-Value (0.040) is smaller than 0.05, and the 95% Confidence Interval [0.031;0.235] does not include zero. In general, Job Satisfaction plays an important role as an intermediary variable that transmits the positive influence of organizational factors (Leadership Style and Organizational Culture) on Employee Performance.

### 3.2 Discussion

#### The Influence of Leadership Style on Employee Performance

This study shows that leadership style has a negative and significant effect on employee performance (path coefficient = -0.388; p-value = 0.009). The results indicate that the greater the perception of the current leadership style, the greater the correlation with decreased employee performance.

Theoretically, these results differ from most previous studies [5],[24] which found a positive effect between transformational leadership style and performance improvement.

The interpretation of these results can be explained through the context of a public organization such as the East Luwu Regency Environmental Agency (DLH), where the bureaucratic structure tends to be hierarchical and formalistic. The leadership style applied is likely still transactional—emphasizing orders and procedural compliance—thus creating negative perceptions among highly educated employees who have expectations of autonomy in their work. Employees, predominantly younger (aged 26–35), may expect a more participatory and inspirational leadership style, rather than simply an instructive one. Therefore, a leadership style that is too rigid or bureaucratic can reduce employee morale and creativity, thus negatively impacting performance.

#### The Influence of Organizational Culture on Employee Performance

Organizational culture has been shown to have a positive and significant influence on employee performance (path coefficient = 0.298; p-value = 0.039). These results are consistent with the finding [9],[7], which emphasized that a positive organizational culture will shape positive work behaviors and increase employee productivity.

In the context of the East Luwu Regency Environmental Agency (DLH), these results indicate that work values such as discipline, responsibility for environmental preservation, and teamwork have become key performance drivers. Although the effect is relatively low (f-square = 0.067), these results emphasize the importance of strengthening an organizational culture based on the values of sustainability, transparency, and innovation to ensure sustainable improvement in civil servant performance.

#### The Influence of Leadership Style on Job Satisfaction

The results of this study indicate that leadership style has a positive and significant effect on job satisfaction (path coefficient = 0.250; p-value = 0.018). These results support the transformational leadership theory [20], which explains that leaders who are able to provide motivation, direction, and individual attention will increase employee satisfaction with their

jobs.

Empirically, these results indicate that some aspects of the leadership style at the East Luwu Environmental Agency (DLH) reflect supportive behavior, such as providing guidance and open communication. However, because the relationship between leadership style and performance is negative, it can be assumed that the leadership style applied is more geared towards emotional (affective) satisfaction than work productivity. In other words, employees feel psychologically comfortable, but this comfort has not yet translated into improved performance.

### **The Influence of Organizational Culture on Job Satisfaction**

Organizational culture has a positive and very significant influence on job satisfaction (*path coefficient* = 0.384; *p-value* = 0.000), with a moderate effect (*f-square* = 0.150). This finding aligns with research [1], [8], which confirms that a healthy organizational culture can foster a sense of belonging, solidarity, and satisfaction among employees. The work culture at the East Luwu Environmental Agency (DLH) appears to have fostered a conducive work environment, where the values of collaboration and social responsibility serve as intrinsic motivation for employees. In the context of civil servants (ASN), a positive organizational culture can provide psychological compensation for limited material rewards. Therefore, the stronger the collective and shared values within the organization, the higher the level of employee job satisfaction.

### **The Influence of Job Satisfaction on Employee Performance**

The research results prove that job satisfaction has a positive and significant influence on employee performance (*path coefficient* = 0.306; *p-value* = 0.008). This study supports the theory [11],[12] which states that satisfied employees will show higher motivation and commitment to the organization. In the context of the Environmental Agency, employees who are satisfied with their working conditions, relationships with colleagues, and recognition for their performance tend to be more productive and responsible in their work. This also suggests that while leadership style factors may not directly improve performance, their impact on performance becomes more pronounced through increased job satisfaction.

### **The Role of Job Satisfaction as a Mediating Variable**

Mediation analysis shows that job satisfaction mediates the relationship between: 1. Leadership Style → Employee Performance (*p-value* = 0.091; CI does not include 0), 2. Organizational Culture → Employee Performance (*p-value* = 0.040; CI does not include 0). This confirms that job satisfaction plays a role as a psychological mechanism. The link between organizational factors (leadership and culture) and employee performance. Theoretically, these results support Herzberg's (1959) work motivation model and recent research by [2], which emphasizes that job satisfaction is a crucial bridge between managerial factors and employee performance behavior.

This means that a positive leadership style or organizational culture won't necessarily lead to improved performance if it isn't accompanied by increased job satisfaction. In the context of the East Luwu Environmental Agency (DLH), satisfied employees tend to perform better because they feel cared for, appreciated, and emotionally attached to the organization.

#### 4. Conclusion

Based on the results of the data analysis test and research discussion regarding "*The Influence of Leadership Style and Organizational Culture on Employee Performance through Job Satisfaction as an Intervening Variable at the Environmental Service of East Luwu Regency*", then the following points can be concluded:

1. Leadership style has a negative and significant impact on employee performance. This means that the current leadership style tends to be inconsistent with employee expectations, thus reducing motivation and work productivity. This indicates the need to improve leadership styles to be more adaptive, participatory, and transformational.
2. Employee performance is positively and significantly influenced by organizational culture. A strong work culture aligned with public organization principles encourages employees to work more efficiently and be more committed to their responsibilities.
3. Leadership style has a positive and significant influence on job satisfaction. Leaders who are communicative, provide clear direction, and care about the well-being of their subordinates can increase job satisfaction.
4. Organizational culture has a positive and significant influence on job satisfaction. An organizational culture that reflects values of togetherness, mutual respect, and responsibility for the environment creates a harmonious work environment and allows employees to collaborate effectively and enjoy their work.
5. Job satisfaction has a positive and significant impact on employee performance. Employees who are satisfied with their workplace are more motivated, loyal, and enthusiastic about their work, which directly impacts performance improvement.
6. Job satisfaction serves as a mediating variable between organizational culture and leadership style on employee performance; in other words, the influence of these two factors on employee performance occurs through increased job satisfaction rather than directly. When employees are satisfied, they are more productive and committed to achieving organizational goals.
7. Overall, this study shows that leadership and organizational culture are not the only factors influencing employee performance in local government offices; moreover, employees' psychological well-being, particularly their level of job satisfaction, significantly influences their performance. Therefore, strategies to improve ASN performance should focus on building engaging leadership, a positive organizational culture, and a work system that prioritizes employee well-being.

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