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HOW LEADERSHIP SHAPES EMPLOYEE PERFORMANCE: THE MEDIATING ROLE OF ORGANIZATIONAL CULTURE

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ABSTRACT

Leadership is an important factor in employee performance, but different leadership approaches may influence performance through different organizational mechanisms. This study examines the effects of transformational leadership, strategic leadership, and change leadership on employee performance, with organizational culture as a mediating variable in manufacturing companies in Sidoarjo and Pasuruan, Indonesia. A quantitative multisite survey was conducted using questionnaire data from 300 employees, and the relationships were analyzed using partial least squares structural equation modeling (PLS-SEM). The results show that transformational leadership ($\beta = 0.330$, $p < 0.001$), strategic leadership ($\beta = 0.322$, $p < 0.001$), and change leadership ($\beta = 0.191$, $p = 0.016$) have positive direct relationships with employee performance. Transformational leadership ($\beta = 0.291$, $p < 0.001$) and strategic leadership ($\beta = 0.276$, $p = 0.005$) are also positively related to organizational culture, whereas change leadership has no significant relationship with culture ($\beta = 0.028$, $p = 0.765$). Organizational culture mediates the relationships of transformational leadership (indirect $\beta = 0.094$, $p = 0.002$) and strategic leadership (indirect $\beta = 0.089$, $p = 0.010$) with employee performance, but not that of change leadership (indirect $\beta = 0.009$, $p = 0.771$). The model explains 63.2% of the variance in employee performance. The main contribution is the demonstration that organizational culture plays different mediating roles across leadership dimensions. These findings suggest that managers should combine leadership development with efforts to strengthen shared values, collaboration, and learning, while maintaining direct support for change implementation.

Keywords: *Transformational leadership, strategic leadership, change leadership, organizational culture, employee performance.*

INTRODUCTION

Manufacturing firms operate under continuing pressure to improve productivity, respond to technological and market changes, and sustain employee performance. These pressures make leadership particularly important because organizational responses to changing environments depend on how leaders establish direction, mobilize employees, coordinate resources, and develop organizational capabilities (Samimi et al., 2022; Vera & Crossan, 2004). This issue is particularly relevant in Indonesia, where manufacturing remains a major component of national economic activity; in 2024, the sector contributed 18.98% of Indonesia's gross domestic product (GDP), with nominal value added reaching approximately IDR 4,202.9 trillion (Badan Pusat Statistik Indonesia, 2026). At the organizational level, sustaining employee performance under these conditions requires

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leadership that addresses both employee motivation and broader organizational adaptation. The positive influence of transformational leadership on performance has been supported by extensive empirical evidence. Wang et al. (2011), through a meta-analysis encompassing 117 independent samples, demonstrated that transformational leadership is positively related to performance across individual, team, and organizational contexts. Yet the challenges confronting manufacturing organizations extend beyond the motivational and relational mechanisms emphasized by transformational leadership. Strategic leadership concerns how senior leaders shape organizational direction, strategic decisions, organizational learning, and capabilities (Samimi et al., 2022; Vera & Crossan, 2004), whereas change leadership focuses on the functions and behaviours required to implement organizational change (Ford et al., 2021). These distinctions suggest that employee performance may reflect complementary leadership processes involving motivation, strategic alignment, and adaptation to change, creating a rationale for examining transformational, strategic, and change leadership within a common analytical framework rather than relying on a single leadership perspective.

Transformational leadership is characterized by the ability to articulate a compelling vision, inspire followers, encourage intellectual development, and provide individualized support based on each member's needs (Bass & Riggio, 2005). Strategic leadership concerns how senior leaders shape organizational direction, make strategic decisions, develop capabilities, and influence organizational outcomes (Samimi et al., 2022). Change leadership focuses on leadership functions and behaviors that support the implementation of organizational change (Dumas & Beinecke, 2018; Hughes, 2018; Oreg & Berson, 2019; Oreg & Sverdlik, 2018). Organizational culture represents shared values, assumptions, beliefs, and norms that guide how members understand and perform their work (Schein, 2010). These concepts are theoretically connected because leaders can influence how employees interpret organizational priorities, while repeated leadership practices may become embedded in shared organizational values and behavioral norms. Organizational culture has also been recognized as an important factor influencing organizational effectiveness. Drawing on evidence from 84 empirical studies comprising 94 independent samples, Hartnell et al. (2011) identified associations between different organizational culture types, employee attitudes, and organizational performance. These findings highlight the importance of examining leadership, organizational culture, and performance collectively, as interrelated dimensions that may jointly shape organizational outcomes.

However, limited empirical research has examined how different leadership perspectives interact through organizational culture, leaving an important gap in understanding the organizational processes that connect leadership practices with organizational outcomes. Samimi et al. (2022) reviewed the strategic leadership literature and identified several research streams that have developed with limited integration, while Singh et al. (2023) mapped 6,024 Scopus-indexed documents and similarly described strategic leadership as a fragmented research field. Research on change leadership also indicates inconsistencies in how leadership and change outcomes are

conceptualized and measured (Ford et al., 2021; Oreg & Sverdlik, 2018). These findings point to a theoretical gap: transformational, strategic, and change leadership have developed as related but largely distinct streams. An empirical gap remains concerning whether organizational culture provides a common mechanism through which these forms of leadership affect employee performance. A methodological gap concerns the limited integration of their direct and mediated relationships within one model. The present study addresses these gaps by examining the three leadership approaches simultaneously and testing organizational culture as a mediating mechanism.

Sidoarjo and Pasuruan provide a relevant setting for examining this problem because manufacturing organizations in these areas operate within industrial environments that require production continuity, coordination across organizational levels, and adaptation to changing operational demands. The study focuses on three manufacturing companies, PT Lamipak Primula Indonesia, PT Asia Pramulia Tbk, and PT Buana Megah, and treats them as separate research sites. The multisite design is theoretically relevant because leadership and culture are embedded in particular organizational arrangements rather than operating independently of organizational conditions. Tsui et al. (2006), for example, found that the relationship between CEO leadership behavior and organizational culture may vary according to organizational and institutional conditions. Cross-site analysis can therefore reveal whether the proposed leadership–culture–performance relationships are relatively stable across firms or depend on characteristics specific to individual organizations. This distinction is important when evidence from a single manufacturing company is used to explain a broader organizational phenomenon.

This study advances the existing literature by integrating transformational, strategic, and change leadership into a single model to examine employee performance, with organizational culture as the mediating mechanism. Previous meta-analytic evidence establishes the relevance of transformational leadership to individual performance (Wang et al., 2011), while the strategic leadership literature calls for greater integration across fragmented research streams (Samimi et al., 2022). Research on change leadership likewise shows that leadership during change involves different functions and sources rather than a single leadership behavior (Oreg & Berson, 2019). The present study connects these streams within the same empirical framework and extends the analysis across three manufacturing sites. Its contribution is therefore not simply the addition of another leadership variable, but the examination of whether organizational culture provides a shared pathway through which different leadership demands become reflected in employee performance.

The novelty of this research resides in its attempt to develop a more holistic perspective on the mechanisms through which leadership shapes employee performance. Rather than treating organizational culture merely as a contextual characteristic, this study examines its mediating role in explaining how transformational leadership, strategic leadership, and change leadership relate to employee performance. This approach provides a basis for understanding the organizational processes through which leadership

practices may be associated with employee performance. This approach is supported by the broader literature showing that culture is associated with organizational effectiveness (Hartnell et al., 2011), and that leadership and culture are theoretically and empirically related (Tsui et al., 2006; Warrick, 2017). The study also responds to recent calls for clearer integration within strategic leadership research (Samimi et al., 2022) and more systematic understanding of leadership in organizational change (Oreg & Sverdlik, 2018). Practically, the findings may help manufacturing managers distinguish between leadership practices that influence performance directly and those whose effects depend on the organizational culture surrounding employees.

Building on the preceding discussion, this research seeks to investigate how transformational leadership, strategic leadership, and change leadership influence employee performance, while examining organizational culture as a potential mediating mechanism among employees working in manufacturing firms located in Sidoarjo and Pasuruan, East Java, Indonesia. More specifically, the study evaluates the direct relationships between each leadership style and employee performance, the influence of these leadership approaches on organizational culture, and the contribution of organizational culture to employee performance. Furthermore, it explores whether organizational culture mediates the relationships between the three leadership dimensions and employee performance. This investigation is grounded in the assumption that distinct leadership approaches may serve different organizational needs and that their effectiveness in enhancing employee performance may be shaped by the prevailing organizational culture. By examining these relationships across several manufacturing organizations, this study also seeks to establish whether the proposed relationships demonstrate consistency across different organizational settings or are influenced by variations in organizational contexts.

RESEARCH METHOD

This study employed a quantitative multisite design to examine the effects of transformational leadership, strategic leadership, and change leadership on employee performance, with organizational culture as a mediating variable. The study targeted 300 respondents drawn from the participating research sites. To ensure adequate representation across sites or relevant employee groups, proportionate stratified random sampling was used. The population was divided into relevant strata, and the number of respondents selected from each stratum was determined proportionally to its population size. Respondents were then randomly selected from the respective strata to obtain the target sample of 300 employees. The study was conducted at PT Lamipak Primula Indonesia in Sidoarjo, PT Asia Pramulia in Pasuruan/Surabaya, and PT Buana Megah in Pasuruan. These companies were selected because they represent manufacturing organizations with different production characteristics while facing similar demands for employee coordination, operational efficiency, and organizational adaptation.

The unit of analysis was the individual employee. The target population comprised employees who had worked for at least one year and were sufficiently familiar with their

organizational environment to assess leadership practices, organizational culture, and employee performance. Based on the available workforce information, the population was estimated at approximately 1,734 employees, consisting of approximately 350 employees at PT Lamipak Primula Indonesia, 184 employees at PT Asia Pramulia, and approximately 1,200 employees at PT Buana Megah. The workforce figures for Lamipak Primula Indonesia and Buana Megah will be verified through company records before final data collection.

A total of 300 respondents was determined as the target sample. The sample was considered adequate for the proposed PLS-SEM model, which contains three exogenous constructs, one mediating construct, and one endogenous construct, while allowing the analysis of both direct and indirect effects. Proportionate stratified random sampling will be applied when employee lists are available. Based on the estimated population, the initial allocation is approximately 61 respondents from Lamipak Primula Indonesia, 32 from Asia Pramulia, and 207 from Buana Megah. The final allocation will be recalculated using verified employee numbers before questionnaire distribution. Where organizational-level information is available, employees will be proportionally represented across relevant categories such as staff, supervisors, and managerial employees.

Data were collected using a structured questionnaire consisting of 24 measurement items across five constructs. Transformational leadership is measured by 4 items covering vision, inspiration, intellectual stimulation, and individualized consideration. Strategic leadership is measured by 5 items covering strategic direction, strategic decision-making, resource alignment, capability development, and future orientation. Change leadership is measured by 5 items covering change communication, change direction, employee involvement, support during transition, and management of resistance and uncertainty. Organizational culture is measured by 6 items covering shared values, openness to change, collaboration, employee involvement, learning orientation, and support for new practices. Employee performance is measured by 4 items reflecting the achievement of expected work outcomes, quality of work, productivity, and achievement of work objectives. All items will be measured using a Likert-type scale. The questionnaire will be reviewed before distribution to ensure that the wording is clear and appropriate for employees in manufacturing organizations.

The research data will be analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The measurement model will be assessed through outer loadings, Cronbach's alpha, rho_A, composite reliability, AVE, and HTMT to establish reliability and validity. The structural model will be evaluated using collinearity diagnostics, path coefficients, R^2, f^2, predictive relevance, and bootstrapping. Direct effects will examine the relationships between the three leadership dimensions (transformational, strategic, and change leadership), organizational culture, and employee performance. Indirect effects will assess the mediating role of organizational culture in each leadership–performance relationship. This analytical approach follows established PLS-SEM recommendations, particularly HTMT for discriminant validity and statistically grounded sample-size determination (Henseler et al., 2015; Kock & Hadaya, 2018).

RESULTS AND DISCUSSION

Results

Measurement Model Assessment

The measurement model was evaluated to establish the reliability and validity of the research constructs, covering internal consistency, convergent validity, and discriminant validity. Internal consistency was assessed using Cronbach's alpha and rho_A, while convergent validity was determined through indicator loadings and average variance extracted (AVE). Discriminant validity was examined based on the Fornell–Larcker criterion and the heterotrait–monotrait ratio (HTMT). The structural model was subsequently assessed using variance inflation factors (VIF) to identify potential collinearity issues, the coefficient of determination (R^2) to evaluate explanatory power, and effect size (f^2) to measure the contribution of individual predictors. Bootstrapping was employed to determine the statistical significance of the hypothesized relationships, while the mediating effect of organizational culture was investigated through indirect effect analysis. As reported in Table 1, Cronbach's alpha coefficients ranged from 0.854 to 0.983, whereas rho_A values varied between 0.858 and 0.984. All coefficients surpassed the recommended threshold of 0.70, confirming satisfactory internal consistency across the five constructs. Organizational Culture (OC) demonstrated the highest reliability, with Cronbach's alpha and rho_A values of 0.983 and 0.984, respectively, while Strategic Leadership (SL) recorded the lowest coefficients, at 0.854 and 0.858, respectively.

The reliability assessment presented in Table 1 indicates that Cronbach's alpha coefficients varied between 0.854 and 0.983, while rho_A values ranged from 0.857 to 0.984. Both measures consistently surpassed the established minimum criterion of 0.70 across all constructs, demonstrating a satisfactory level of internal consistency. These findings confirm that the measurement instruments possess adequate reliability and are suitable for subsequent stages of the analysis.

Table 1. Construct Reliability

Construct	Cronbach's Alpha	rho_A	Assessment
Change Leadership (CL)	0.975	0.979	Reliable
Employee Performance (EP)	0.855	0.857	Reliable
Organizational Culture (OC)	0.983	0.984	Reliable
Strategic Leadership (SL)	0.854	0.858	Reliable
Transformational Leadership (TL)	0.898	0.901	Reliable

Table 2 reports the Fornell–Larcker assessment of discriminant validity, comparing the square roots of AVE (diagonal values) with inter-construct correlations (off-diagonal values). Discriminant validity is established when each diagonal value exceeds its corresponding correlations. For instance, Change Leadership (0.954) and Strategic Leadership (0.829) recorded AVE square roots above their correlation (0.751), indicating adequate discriminant validity between these constructs.

Table 2. Fornell–Larcker Criterion

Construct	CL	EP	OC	SL	TL
CL	0.954				
EP	0.618	0.835			
OC	0.398	0.628	0.980		
SL	0.751	0.693	—	0.829	
TL	0.561	0.659	—	—	0.830

Note: Diagonal values represent the square root of AVE.

The discriminant validity results based on the Heterotrait–Monotrait Ratio (HTMT) are summarized in Table 3. The HTMT coefficients varied from 0.403 to 0.812, indicating that the strongest association occurred between Change Leadership and Strategic Leadership (0.812). Since all reported coefficients remained below the recommended cutoff of 0.85, the findings provide preliminary support for discriminant validity across the constructs, subject to verification of all construct-pair comparisons.

Table 3. Heterotrait–Monotrait Ratio (HTMT)

Construct	CL	EP	OC	SL	TL
CL	—				
EP	0.672	—			
OC	0.403	0.684	—		
SL	0.812	0.805	—	—	
TL	0.597	0.748	—	—	

The cross-loading results also showed that indicators generally loaded more strongly on their intended constructs than on the comparison construct shown in the output. For example, the CL indicators loaded between 0.932 and 0.983 on Change Leadership, while the EP indicators loaded between 0.805 and 0.860 on Employee Performance. The findings provide additional support for construct distinctiveness.

Structural Model Assessment

The results in Table 4 reveal that Employee Performance achieved an R^2 of 0.632 and an adjusted R^2 of 0.627, demonstrating that the explanatory variables accounted for 63.2% of its variance. Meanwhile, Organizational Culture recorded an R^2 of 0.293 and an adjusted R^2 of 0.286, suggesting that the leadership dimensions explained 29.3% of its variance. Overall, the findings indicate that the structural model provides stronger explanatory capacity for Employee Performance than for Organizational Culture.

Table 4. Coefficient of Determination

Endogenous Construct	R^2	Adjusted R^2
Employee Performance (EP)	0.632	0.627
Organizational Culture (OC)	0.293	0.286

Table 5 presents the effect sizes (f^2) of the predictor constructs on Employee Performance. Organizational Culture showed the largest effect size ($f^2 = 0.199$), followed

by Transformational Leadership ($f^2 = 0.075$), Strategic Leadership ($f^2 = 0.047$), and Change Leadership ($f^2 = 0.039$). Based on conventional guidelines, Organizational Culture demonstrated an effect approaching the medium-effect threshold, whereas the three leadership constructs showed small effects.

Table 5. Effect Size (f^2)

Predictor	Employee Performance
Change Leadership (CL)	0.039
Organizational Culture (OC)	0.199
Strategic Leadership (SL)	0.047
Transformational Leadership (TL)	0.075

As reported in Table 6, the inner VIF values ranged from 1.414 to 3.127. Strategic Leadership had the highest VIF value (3.127), followed by Change Leadership (2.313), Transformational Leadership (2.040), and Organizational Culture (1.414). Since all values were below the commonly applied threshold of 5, the results indicate that critical multicollinearity was not evident among the predictors in the structural model.

Table 6. Inner VIF Values

Predictor	Employee Performance
Change Leadership (CL)	2.313
Organizational Culture (OC)	1.414
Strategic Leadership (SL)	3.127
Transformational Leadership (TL)	2.040

Direct Effects

The bootstrapping analysis revealed that Transformational Leadership, Strategic Leadership, and Organizational Culture exerted statistically significant positive effects on Employee Performance. Specifically, Transformational Leadership demonstrated a path coefficient of 0.330 ($t = 4.969$, $p < 0.001$), followed by Strategic Leadership ($\beta = 0.322$, $t = 4.456$, $p < 0.001$). Organizational Culture also showed a significant positive relationship with Employee Performance ($\beta = 0.322$, $t = 6.314$, $p < 0.001$). Meanwhile, Change Leadership exhibited a comparatively weaker but statistically significant positive effect ($\beta = 0.191$, $t = 2.407$, $p = 0.016$).

The analysis of factors influencing Organizational Culture indicated that Transformational Leadership had a significant positive association ($\beta = 0.291$, $t = 3.949$, $p < 0.001$). Similarly, Strategic Leadership demonstrated a positive and statistically significant effect ($\beta = 0.276$, $t = 2.844$, $p = 0.005$). However, Change Leadership did not exhibit a statistically significant relationship with Organizational Culture ($\beta = 0.028$, $t = 0.299$, $p = 0.765$).

Table 7. Direct Effects

Relationship	β	STDEV	t-value	p-value	Result
CL → EP	0.191	0.079	2.407	0.016	Positive, significant
CL → OC	0.028	0.092	0.299	0.765	Not significant

OC → EP	0.322	0.051	6.314	<0.001	Positive, significant
SL → EP	0.322	0.072	4.456	<0.001	Positive, significant
SL → OC	0.276	0.097	2.844	0.005	Positive, significant
TL → EP	0.330	0.066	4.969	<0.001	Positive, significant
TL → OC	0.291	0.074	3.949	<0.001	Positive, significant

Table 7 presents the direct relationships among the research variables. Transformational Leadership ($\beta = 0.330$, $p < 0.001$), Strategic Leadership ($\beta = 0.322$, $p < 0.001$), and Organizational Culture ($\beta = 0.322$, $p < 0.001$) demonstrated significant positive effects on Employee Performance. Change Leadership also showed a significant positive influence ($\beta = 0.191$, $p = 0.016$). Furthermore, Transformational Leadership and Strategic Leadership positively influenced Organizational Culture, whereas Change Leadership had no statistically significant effect ($\beta = 0.028$, $p = 0.765$).

Mediation Effects

The findings in Table 8 indicate that Organizational Culture did not serve as a significant mediator in the relationship between Change Leadership and Employee Performance ($\beta = 0.009$, $t = 0.292$, $p = 0.771$). Conversely, significant indirect effects were identified for Strategic Leadership ($\beta = 0.089$, $t = 2.571$, $p = 0.010$) and Transformational Leadership ($\beta = 0.094$, $t = 3.051$, $p = 0.002$) on Employee Performance through Organizational Culture. Since both direct relationships remained statistically significant, Organizational Culture was found to partially mediate these two relationships.

Table 8. Indirect Effects and Mediation

Indirect Relationship	β	STDEV	t-value	p-value	Mediation
CL → OC → EP	0.009	0.030	0.292	0.771	Not supported
SL → OC → EP	0.089	0.035	2.571	0.010	Partial mediation
TL → OC → EP	0.094	0.031	3.051	0.002	Partial mediation

Model Fit

Table 9 reports the model fit assessment for the saturated and estimated models. The SRMR value was 0.067 for both models, which is below the commonly used threshold of 0.08 and indicates an acceptable level of approximate model fit. The NFI value was 0.795. This value should be interpreted cautiously and alongside the other model assessment results, including the coefficient of determination, effect sizes, and structural path coefficients, rather than as standalone evidence of model fit.

Table 9. Model Fit

Fit Index	Saturated Model	Estimated Model
SRMR	0.067	0.067
d_ULS	1.331	1.331
d_G	1.651	1.651
Chi-square	2,216.628	2,216.628
NFI	0.795	0.795

Overall, the structural model demonstrates considerable explanatory capacity for Employee Performance ($R^2 = 0.632$), although its ability to explain Organizational Culture is comparatively lower ($R^2 = 0.293$). Each leadership dimension exhibits a significant direct influence on Employee Performance; however, their relationships with Organizational Culture vary. Transformational Leadership and Strategic Leadership positively affect both constructs, whereas Change Leadership influences Employee Performance directly without significantly affecting Organizational Culture. Furthermore, Organizational Culture contributes positively to Employee Performance and partially mediates the effects of Transformational Leadership and Strategic Leadership, but does not mediate the relationship involving Change Leadership.

Discussion

The empirical results demonstrate that transformational, strategic, and change leadership are positively associated with employee performance in the manufacturing companies investigated in Sidoarjo and Pasuruan, Indonesia. Among these dimensions, Transformational Leadership records the strongest direct effect ($\beta = 0.330$), while Strategic Leadership and Organizational Culture exhibit equal coefficients ($\beta = 0.322$). Change Leadership also shows a positive but relatively smaller effect on employee performance ($\beta = 0.191$). Regarding organizational culture, both Transformational Leadership and Strategic Leadership have significant positive relationships with this construct. However, the relationship between Change Leadership and Organizational Culture is statistically insignificant ($\beta = 0.028$; $p = 0.765$). The mediation analysis further reveals that Organizational Culture partially mediates the relationships of Transformational Leadership and Strategic Leadership with employee performance, whereas its mediating effect on the relationship between Change Leadership and employee performance is not supported. The structural model explains 63.2% of the variance in employee performance and 29.3% of the variance in organizational culture, indicating substantial explanatory capacity for the former construct. These findings offer a unique empirical perspective by demonstrating that different leadership dimensions contribute to employee performance through distinct organizational pathways. Overall, the results support most of the proposed hypotheses while highlighting the limited role of organizational culture in transmitting the influence of Change Leadership to employee performance.

The findings indicate that employee performance is associated with both leadership practices and the organizational environment in which employees operate. Recent empirical evidence suggests that the relationship between transformational leadership and performance can be partly explained by organizational culture, highlighting the importance of considering the organizational context rather than leadership behavior alone (Nguyen et al., 2023). Organizational culture may support employee performance by shaping shared values, behavioral expectations, and patterns of collaboration (Udin, 2023). Moreover, recent research on strategic leadership indicates that organizational culture can serve as an important mechanism through which leadership influences

organizational processes and change management (Ferede et al., 2024). Taken together, these findings support an integrated perspective in which leadership practices and organizational culture are examined jointly to understand employee performance. However, the extent to which transformational leadership, strategic leadership, and change leadership operate through organizational culture requires further empirical examination within the specific context of this study. Transformational leadership may strengthen employee performance by communicating a compelling vision, stimulating employees to improve their work, and supporting individual development, consistent with meta-analytic evidence showing that transformational leadership is positively associated with individual, team, and organizational performance (Wang et al., 2011). Strategic leadership may contribute through direction setting, strategic decision-making, resource and capability development, and the alignment of organizational activities with longer-term objectives (Samimi et al., 2022; Vera & Crossan, 2004). The significant relationship between organizational culture and employee performance further indicates that shared values, established patterns of collaboration, learning, and behavioural expectations can provide an organizational environment in which leadership intentions are translated into employees' daily work; this interpretation is consistent with meta-analytic evidence that organizational culture is associated with employee attitudes and organizational effectiveness (Hartnell et al., 2011). The relationship between leadership behaviour and organizational culture is also supported by empirical evidence showing that leader behaviour and cultural values can be closely connected, although the strength of this relationship may depend on organizational and institutional conditions (Tsui et al., 2006). Change leadership, in contrast, shows a direct relationship with employee performance, while its relationship with organizational culture is not significant. This pattern suggests that communicating change, coordinating implementation, and supporting employees during organizational transitions may affect work outcomes without necessarily producing corresponding changes in established shared values and behavioural norms. Such an interpretation is compatible with Oreg & Berson (2019) review, which highlights the complexity of leadership effects during organizational change and the importance of considering different levels, mechanisms, and contexts of leadership influence. The findings therefore describe statistically supported relationships among the constructs, while the specific mechanisms through which different leadership approaches influence employee performance, directly or through organizational culture, require further empirical investigation.

The findings are partly consistent with transformational leadership theory, which proposes that leaders influence followers through vision, motivation, intellectual stimulation, and individualized consideration (Bass & Riggio, 2005). The direct effect of transformational leadership on employee performance is consistent with meta-analytic evidence showing that transformational leadership is positively associated with individual, team, and organizational performance (Wang et al., 2011), while its indirect effect through organizational culture indicates that transformational leadership may also operate through organizational conditions that shape shared values and behavioural

practices. Strategic leadership extends this explanation by emphasizing how senior leaders establish direction, make strategic decisions, align resources, and develop organizational capabilities to influence organizational outcomes (Samimi et al., 2022; Vera & Crossan, 2004). The significant relationship between strategic leadership and organizational culture is consistent with the broader proposition that leadership behaviour and organizational cultural values can be closely connected, although empirical evidence also indicates that this relationship is contingent on organizational and institutional conditions (Tsui et al., 2006). Research on organizational culture provides further support for interpreting the significant relationship between culture and employee performance, as Hartnell et al. (2011), based on 84 empirical studies and 94 independent samples, found that several forms of organizational culture were differentially and positively associated with employee attitudes, operational performance, and financial performance. The non-significant path from change leadership to organizational culture places an important boundary on these relationships: leadership directed toward facilitating organizational change may influence employees' responses and change-related outcomes without necessarily altering established cultural patterns. This interpretation is consistent with (Oreg & Berson, 2019), whose comprehensive review emphasizes that leadership effects during organizational change depend on the functions performed by leaders, the processes through which employees respond to change, and contextual and temporal conditions. The present findings therefore support the view that leadership, organizational culture, and employee performance are interconnected, while also indicating that different leadership approaches may operate through different mechanisms and that leadership involvement in change does not automatically translate into changes in deeper organizational cultural patterns.

The findings can be compared with previous studies on leadership, organizational culture, and organizational change to identify both convergent and divergent evidence. Supporting studies may reinforce the interpretation that leadership practices are associated with employee performance and that organizational culture helps explain these relationships. However, contrasting findings, where available, should also be considered, particularly when previous studies report differences in the strength, significance, or direction of these relationships. Such differences may reflect variations in organizational context, research design, employee characteristics, or the way leadership and organizational culture are measured. Comparing both supporting and contrasting evidence provides a more balanced interpretation of the findings and clarifies the contribution of the present study to the existing literature. Wang et al. (2011), through a meta-analysis of 117 independent samples from 113 primary studies, found that transformational leadership was positively related to follower performance across individual, team, and organizational levels, providing broad empirical support consistent with the direct relationship between transformational leadership and employee performance found in this study. Samimi et al. (2022), through a comprehensive review of strategic leadership literature, emphasized the need for greater conceptual clarity regarding how top managers and boards influence organizational outcomes, while Singh

et al. (2023), based on a bibliometric analysis of 6,024 Scopus-indexed documents, characterized strategic leadership as a rich yet fragmented field with diverse themes and research streams. These studies provide a basis for examining strategic leadership alongside other leadership forms rather than treating it as an isolated construct. Hartnell et al. (2011), using evidence from 84 empirical studies and 94 independent samples, found that organizational culture types were differentially associated with employee attitudes and organizational effectiveness, supporting the relevance of organizational culture to the present finding concerning employee performance. Tsui et al. (2006) further demonstrated that CEO leadership behaviour and organizational culture can be strongly associated, while also identifying conditions under which leadership behaviour and cultural values may become decoupled, offering a useful explanation for why leadership effects on culture may vary across organizational settings. Research on organizational change likewise emphasizes that leadership effects cannot be understood independently of the functions, behaviours, sources, and contextual conditions involved in implementing change (Ford et al., 2021; Oreg & Berson, 2019). The present results add a specific distinction: the indirect relationships through organizational culture are supported for transformational and strategic leadership, but not for change leadership. This pattern is theoretically consistent with prior literature while also extending it by showing that different leadership approaches may operate through different organizational mechanisms. The comparison should not be interpreted as direct empirical equivalence because the cited studies differ in constructs, research settings, levels of analysis, measurement approaches, and analytical models.

The different results across leadership dimensions may reflect their distinct functions within manufacturing organizations. Transformational leadership is primarily oriented toward motivating and developing employees, whereas strategic leadership concerns organizational direction, strategic decision-making, and the deployment and development of organizational capabilities (Samimi et al., 2022; Wang et al., 2011). These functions may influence how employees understand organizational priorities and translate them into work practices, although strategic leadership research itself emphasizes substantial variation in leadership functions and organizational contexts (Samimi et al., 2022; Vera & Crossan, 2004). Change leadership, by comparison, is more directly concerned with the functions and behaviours required to implement organizational change, including coordinating change activities and supporting employees during transitions (Ford et al., 2021; Oreg & Berson, 2019). This distinction is particularly relevant in manufacturing, where established production routines and organizational norms can coexist with continuous process adjustments; empirical research in manufacturing indicates that leadership, communication, and employee responses are important during process change, while existing organizational culture can also shape how changes are implemented and accepted (Costello & Arghode, 2020; Rafferty et al., 2013). Accordingly, the finding that change leadership is directly related to employee performance but not significantly related to organizational culture may indicate that change-related leadership can affect employees' responses to new

procedures and operational requirements without necessarily altering established cultural patterns. This interpretation remains tentative because the path coefficients alone cannot establish the underlying mechanism, and differences in organizational structure, employee roles, tenure, measurement items, and company-specific practices may also contribute to the observed relationships. The multisite design provides a broader empirical setting than a single-company study, but the findings should not be interpreted as evidence that all manufacturing organizations in the region operate according to the same leadership and cultural mechanisms. From a measurement perspective, the high outer VIF values observed for several indicators warrant additional assessment of potential indicator redundancy and measurement specification before the final model is reported, particularly because excessive indicator collinearity can affect the stability and interpretation of PLS-SEM measurement estimates (Hair et al., 2019).

The primary contribution of this study is the integration of transformational, strategic, and change leadership into a unified framework for explaining employee performance, with organizational culture examined as a mediating variable. Recent studies have emphasized the interconnected roles of leadership and organizational culture. Nguyen et al. (2023), for instance, demonstrated the mediating role of organizational culture in the relationship between transformational leadership and organizational performance in Vietnamese manufacturing firms. Similarly, Ibrahim et al. (2022) investigated the links between transformational leadership, organizational culture, and employee performance. Meanwhile, Singh et al. (2023) and Samimi et al. (2022) highlighted the fragmented nature of strategic leadership research and the need for more integrated perspectives. Extending this literature, the present study examines three leadership dimensions simultaneously and evaluates their distinct relationships with employee performance through organizational culture. The findings indicate that transformational and strategic leadership influence employee performance both directly and indirectly through organizational culture. In contrast, change leadership has a significant direct effect but no statistically significant indirect effect through organizational culture. These results offer a more differentiated understanding of leadership effectiveness by demonstrating that different leadership approaches do not necessarily operate through identical organizational mechanisms. The study also provides empirical evidence from three manufacturing companies in Sidoarjo and Pasuruan, East Java, Indonesia. Accordingly, its novelty rests on the integrated comparison of three leadership dimensions, the examination of their distinct mediation pathways, and the application of this framework in a multisite manufacturing context, rather than on claiming that the individual constructs or relationships are entirely new.

For managers, the findings suggest that leadership development should address both employee performance and the organizational conditions that support it. Transformational leaders can strengthen vision, motivation, and employee development, consistent with research highlighting the relationships among transformational leadership, organizational culture, and employee performance in manufacturing settings (Ibrahim et al., 2022; Nguyen et al., 2023). Strategic leaders can improve priority setting, resource alignment,

and capability planning, reflecting the broader strategic and organizational responsibilities identified in recent strategic leadership research (Singh et al., 2023). Organizational culture should be cultivated through consistent work practices, collaboration, continuous learning, and shared expectations rather than assumed to emerge automatically from leadership initiatives, as previous research has demonstrated the importance of considering organizational culture alongside leadership in explaining organizational outcomes (Nguyen et al., 2023). Change leaders should continue to emphasize clear communication, employee involvement, and the effective implementation of new procedures while recognizing that these activities alone may not be sufficient to transform shared values and norms. This recommendation is consistent with Engida et al. (2022), who examined the role of organizational culture in the relationship between change leadership and employees' readiness to change. For researchers, future studies could investigate whether organizational structure, employee tenure, change readiness, or the nature of organizational change helps explain the different pathways identified in this study. Although the present research focuses on manufacturing companies in Sidoarjo and Pasuruan, Indonesia, its findings may offer insights for manufacturing organizations in other regions seeking to improve employee performance through leadership practices supported by an appropriate organizational culture, provided that differences in local organizational and industrial contexts are considered. Furthermore, future research should reassess measurement indicators with high outer variance inflation factor (VIF) values and report comprehensive evidence of construct reliability, convergent validity, and discriminant validity. These steps would strengthen confidence in the measurement model and help determine whether the observed relationships remain robust across different organizational settings.

CONCLUSION

This study demonstrates that transformational, strategic, and change leadership influence employee performance through distinct pathways in manufacturing companies in Sidoarjo and Pasuruan, Indonesia. Transformational and strategic leadership exhibit both direct effects on employee performance and indirect effects mediated by organizational culture. Conversely, change leadership is significantly related to employee performance only through a direct pathway, as organizational culture does not provide a significant mediating effect. These findings emphasize the role of organizational culture as an important, although not universal, mechanism through which leadership practices contribute to employee performance. The study extends existing leadership research by incorporating three leadership dimensions into an integrated model and identifying their respective direct and indirect effects. From a managerial perspective, manufacturing organizations should strengthen leadership capabilities while cultivating collaboration, continuous learning, shared values, and consistent work practices. Effective communication and employee support are also essential when implementing organizational change. Future studies could adopt longitudinal approaches and expand their samples across different manufacturing subsectors to examine these relationships over time. Further assessment of indicators with relatively high outer VIF values is also

recommended to improve the robustness of the measurement model.

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