



Beyond Job Satisfaction: Examining the Effects of Transformational Leadership and Organizational Culture on Employee Performance in Public Healthcare

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ABSTRACT

Keywords:

Transformational Leadership;
Organizational Culture; Job Satisfaction; Employee Performance.

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This study aims to examine the effects of transformational leadership and organizational culture on employee performance through the mediating role of job satisfaction among employees in the Supporting Healthcare Services Unit of RSUD Sleman. A quantitative explanatory research design was employed using a census sampling technique involving 47 employees, with 46 valid responses analyzed. Data were collected through structured questionnaires and analyzed using Structural Equation Modeling Partial Least Squares (SEM-PLS) with SmartPLS 4. The findings reveal that transformational leadership and organizational culture significantly improve job satisfaction. However, neither transformational leadership nor organizational culture has a significant direct effect on employee performance. Furthermore, job satisfaction does not significantly influence employee performance and fails to mediate the relationships between the independent variables and employee performance. These findings indicate that employee performance in supporting healthcare services is influenced by factors beyond leadership, organizational culture, and job satisfaction. The study extends Stewardship Theory and provides practical insights for strengthening competency development, performance evaluation systems, and organizational effectiveness in public hospitals.

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INTRODUCTION

Human resource management has become a strategic priority for improving organizational performance and ensuring the sustainability of public healthcare institutions (Aldossari & Alanizan, 2025; Andriani et al., 2025). Hospitals are expected to deliver healthcare services that are accessible, safe, efficient, patient-centered, and responsive to evolving public needs (Cendiawan & Indradewa, 2024; Cesilia et al., 2025). Achieving these objectives depends largely on the quality of human resources because employees play a central role in translating organizational strategies into measurable service outcomes. Stewardship Theory explains that employees act as stewards who prioritize organizational interests over personal interests by demonstrating integrity, professionalism, commitment, and accountability in their work (Fauziah et al., 2025). Consequently, organizations require transformational leadership and a

supportive organizational culture that promote trust, empowerment, collaboration, and continuous learning. Previous studies consistently report that these organizational factors strengthen employee performance, organizational commitment, and service quality, ultimately contributing to patient satisfaction, organizational sustainability, and public welfare in increasingly dynamic healthcare environments (Gebreheat et al., 2023; Habibie et al., 2024).

Despite continuous reforms, many public hospitals continue to face challenges in maintaining consistent employee performance within increasingly complex organizational environments (Hoxha et al., 2024). Rapid technological advances, digital transformation, stricter accreditation standards, and growing public expectations require healthcare organizations to strengthen managerial effectiveness and continuously develop employee competencies. At the same time, public hospitals are expected to demonstrate greater accountability, transparency, efficiency, and responsiveness while maintaining high-quality healthcare services (Hundie & Habtewold, 2024; Layek & Koodamara, 2025). These demands increase employees' workload and require them to balance professional responsibilities with organizational objectives and patient safety. In this context, transformational leadership and organizational culture are recognized as essential organizational resources that shape employees' attitudes and behaviors. Their effectiveness, however, may depend on employees' job satisfaction, which encourages greater commitment and discretionary effort. Therefore, strengthening leadership, organizational culture, and job satisfaction has become a key strategy for enhancing employee performance, organizational resilience, and sustainable healthcare service quality (Notarnicola et al., 2024).

These organizational challenges are evident at RSUD Sleman, a regional public hospital in Indonesia responsible for delivering healthcare services in accordance with the Minimum Service Standards (MSS) and national hospital accreditation requirements (Ramadhi et al., 2023). Although the hospital has implemented various quality improvement initiatives, its 2024 institutional performance report indicates that several supporting healthcare service indicators have not yet reached their expected targets. The quality achievement of supporting healthcare services reached only 88.84% compared with the institutional target of 90%, while the outpatient waiting time indicator achieved only 76.50% of the expected 100% target. These findings indicate that improving organizational performance remains a significant managerial challenge, particularly within the Laboratory, Radiology, and Medical Rehabilitation departments (Rafi'i et al., 2025). Because these units directly support diagnosis and treatment, suboptimal employee performance may reduce operational efficiency, delay healthcare delivery, and ultimately affect the overall quality of patient services.

Previous studies have consistently highlighted the importance of transformational leadership and organizational culture in improving employee outcomes across diverse organizational settings. Transformational leadership motivates employees to exceed formal job responsibilities by providing inspirational motivation, intellectual stimulation, individualized consideration,

and a compelling organizational vision that fosters innovation and commitment (Safar et al., 2025; Tipa et al., 2023). Likewise, organizational culture establishes shared values, beliefs, and norms that guide employee behavior, strengthen organizational identity, and encourage collaboration among organizational members. Empirical evidence indicates that these organizational factors positively influence job satisfaction, organizational commitment, work engagement, and employee performance (Udin, 2023). Furthermore, several studies have identified job satisfaction as an important mediating variable through which transformational leadership and organizational culture indirectly enhance employee performance by shaping employees' attitudes toward their work environment (Udin et al., 2023). These findings suggest that employee performance is influenced not only by managerial practices but also by positive psychological responses that encourage employees to contribute beyond formal job expectations.

Although the relationships among transformational leadership, organizational culture, job satisfaction, and employee performance have been widely examined, several important research gaps remain (Uy & Bautista, 2025). First, most previous studies have focused on private organizations, manufacturing industries, educational institutions, or clinical healthcare units, whereas empirical evidence concerning supporting healthcare service units remains limited. Employees in the Laboratory, Radiology, and Medical Rehabilitation departments operate under standardized procedures, professional regulations, patient safety protocols, and strict accreditation requirements, creating organizational conditions that differ substantially from those explored in previous studies (Xuan et al., 2025). Second, empirical findings regarding the direct influence of transformational leadership on employee performance remain inconsistent, particularly within public sector organizations characterized by bureaucratic structures and formal administrative procedures. Third, although job satisfaction has frequently been proposed as a mediating variable, its mediating role has rarely been investigated in supporting healthcare services within public hospitals (Ystaas et al., 2023). These limitations highlight the need for further empirical investigation in this context.

This study addresses these research gaps by extending the application of Stewardship Theory to employees working in the Supporting Healthcare Services Unit of RSUD Sleman. Unlike previous studies that mainly focused on clinical departments or private organizations, this research examines the Laboratory, Radiology, and Medical Rehabilitation departments, where service delivery is governed by standardized operating procedures, professional ethics, patient safety principles, and national hospital accreditation requirements. In addition, this study integrates transformational leadership, organizational culture, job satisfaction, and employee performance into a single analytical framework to provide a more comprehensive understanding of employee behavior in public healthcare organizations. By positioning job satisfaction as a mediating variable, this research explains not only whether transformational leadership and organizational culture influence employee performance but also

how these organizational factors shape employees' psychological responses before influencing work outcomes. Consequently, this study is expected to enrich the human resource management literature while extending the application of Stewardship Theory in public healthcare settings.

Based on the identified research gaps, this study aims to examine the effects of Transformational Leadership and Organizational Culture on Employee Performance through the mediating role of Job Satisfaction among employees in the Supporting Healthcare Services Unit of RSUD Sleman. This study proposes that transformational leadership practices and a supportive organizational culture create a positive work environment that enhances employees' job satisfaction, which may subsequently influence their performance and organizational commitment. Consistent with Stewardship Theory, employees who perceive organizational trust, empowerment, supportive leadership, and shared organizational values are more likely to prioritize collective organizational objectives over personal interests while demonstrating greater responsibility, professionalism, and dedication in delivering healthcare services. Accordingly, Job Satisfaction is expected to serve as an important psychological mechanism linking organizational factors with employee outcomes. The findings are expected to contribute theoretically by extending Stewardship Theory within public healthcare organizations and practically by providing evidence-based recommendations for hospital managers to strengthen leadership, organizational culture, employee satisfaction, healthcare service quality, and sustainable organizational performance.

RESEARCH METHODS

This study employed a quantitative approach using an explanatory research design to examine the causal relationships among transformational leadership, organizational culture, job satisfaction, and employee performance. An explanatory design was selected because the primary objective of this study was to test hypotheses derived from Stewardship Theory and to explain the direct and indirect effects among the proposed variables through empirical evidence. This approach is appropriate for identifying causal relationships among variables measured quantitatively and for providing statistical explanations regarding the mediating role of job satisfaction in the relationship between transformational leadership, organizational culture, and employee performance. Accordingly, the research was designed to generate objective and generalizable findings concerning employee behavior within the organizational context of public healthcare services.

The study was conducted at the Supporting Healthcare Services Unit of RSUD Sleman, Indonesia, comprising the Laboratory, Radiology, and Medical Rehabilitation departments. These units were purposively selected because they play an essential role in supporting clinical decision-making and patient care while operating under standardized operational procedures, professional regulations, and national hospital accreditation standards. Such organizational characteristics distinguish supporting healthcare services from other hospital

units and provide a relevant context for examining how transformational leadership and organizational culture influence employee performance through job satisfaction. The study population consisted of all civil servant (ASN) employees working in the three departments. Since the population was relatively small, a total sampling (census) technique was employed, involving all 47 employees as research respondents. A total of 46 completed questionnaires were returned and considered valid for analysis, resulting in a response rate of 97.9%.

Primary data were collected using a structured questionnaire developed from established theories and validated measurement scales for transformational leadership, organizational culture, job satisfaction, and employee performance. All questionnaire items were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Before conducting hypothesis testing, descriptive statistical analysis was performed to describe respondents' characteristics and variable distributions. Subsequently, the proposed research model was analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS 4 software. Data analysis consisted of two stages: evaluation of the measurement model (outer model), including convergent validity, discriminant validity, Composite Reliability, and Cronbach's Alpha, followed by evaluation of the structural model (inner model) through the coefficient of determination (R^2), path coefficients, effect size, predictive relevance, and bootstrapping to test the proposed hypotheses. A hypothesis was considered statistically significant when the t-statistic exceeded 1.96 and the p-value was below 0.05.

The quality and trustworthiness of the research data were ensured through several validity and reliability assessment procedures. Indicator validity was evaluated using outer loading values and Average Variance Extracted (AVE), while discriminant validity was assessed using the Fornell–Larcker criterion and the Heterotrait–Monotrait (HTMT) ratio. Internal consistency reliability was examined using Composite Reliability and Cronbach's Alpha, with values exceeding the recommended threshold indicating satisfactory reliability. In addition, the significance and stability of the structural relationships were assessed using the bootstrapping procedure in SmartPLS with repeated subsampling. These procedures ensured that the measurement instrument was both valid and reliable, thereby providing robust empirical evidence for testing the proposed research model.

RESULTS AND DISCUSSION

Results

Respondent Characteristics

This study was conducted among employees working in the Health Support Services Unit of RSUD Sleman, including the Medical Rehabilitation, Radiology, and Laboratory departments. To maintain the homogeneity of the respondents' characteristics, the study included only permanent civil servants (PNS) and Government Employees with Work Agreements (PPPK). Data were collected using a structured online questionnaire distributed via Google Forms.

The final sample consisted of 47 respondents. The respondents are categorized into 5 criteria: department, age, gender, highest education level, and length of service.

Tabel 1. Respondent Characteristics

No	Profile	Category	Frequency	Percentage
1	Department	Laboratory	15	31.9%
		Radiology	17	36.2%
		Rehabilitasi Medik	15	31.9%
2	Age	20 - 30 years old	8	17%
		31 - 40 years old	24	51.1%
		41 - 50 years old	11	23.4%
		51 - 60 years old	4	8.5%
3	Gender	Female	31	66%
		Male	16	34%
4	Highest Education Level	SMA/SMK/Sederajat	1	2.1%
		Diploma (D1/D2/D3/D4)	36	76.6%
		Sarjana (S1)	2	4.3%
		Profesi	2	4.3%
		Dokter Spesialis	4	8.5%
		Magister (S2)	2	4.3%
5	Length of Service	1- 5 years	13	27.7%
		6 - 10 years	7	14.9%
		>10 years	27	57.4%

Table 1 presents the demographic characteristics of the respondents participating in this study. The respondents were drawn from three departments within the Health Support Services Unit of RSUD Sleman, namely the Radiology Department (36.2%), Laboratory Department (31.9%), and Medical Rehabilitation Department (31.9%), indicating a relatively balanced distribution across departments. Most respondents were between 31–40 years old (52.2%), representing the productive workforce with adequate professional experience. Female employees constituted the majority of the sample (66.0%), reflecting the gender composition commonly found in healthcare professions in Indonesia. This balanced departmental representation and demographic profile provide a reliable basis for capturing employees' perceptions of Transformational Leadership, Organizational Culture, Job Satisfaction, and Employee Performance.

The educational and professional backgrounds of the respondents further demonstrate the suitability of the sample for this study. Most respondents held diploma-level qualifications (76.6%), followed by medical, bachelor's, professional, and master's degrees, indicating that the workforce possessed competencies aligned with the requirements of healthcare support services. In addition, the majority of respondents had more than 10 years of work experience (57.4%), suggesting extensive familiarity with hospital procedures, organizational culture, and service standards. Such educational qualifications

and professional experience are expected to strengthen the credibility of the findings, as respondents are well positioned to provide informed assessments of leadership practices, organizational culture, job satisfaction, and employee performance within RSUD Sleman.

Convergent Validity Testing

Convergent validity was assessed to ensure that the indicators accurately measured their intended latent constructs. The evaluation was performed using three commonly accepted criteria. First, outer loading values were examined, with values of at least 0.60 indicating a satisfactory level of correlation between each indicator and its underlying construct (Ghozali & Latan, 2015). Second, the Average Variance Extracted (AVE) was evaluated to determine the proportion of variance captured by each construct. An AVE value of 0.50 or higher indicates that the construct explains more than half of the variance of its indicators, confirming adequate convergent validity. Finally, the statistical significance of each indicator was assessed through the bootstrapping procedure by analyzing the t-statistics and p-values. Indicators with t-statistics greater than 1.96 and p-values below 0.05 were considered statistically significant and therefore retained in the measurement model. The output of Average Variance Extracted (AVE) estimation is presented in the table 3 below. An AVE value above 0.50 is considered indicative of adequate convergent validity, as it confirms that the latent construct explains more than half of the variance in its observed indicators.

Tabel 2. AVE Estimation

Variable	Average Variance Extracted (AVE)	Remarks
Transformational Leadership (X_1)	0.772	Valid
Organizational Culture (X_2)	0.715	Valid
Employee Performance (Y_1)	0.754	Valid
Job Satisfaction (Z_1)	0.569	Valid

Table 2 shows that all constructs in the study met the criteria for convergent validity, as indicated by Average Variance Extracted (AVE) values exceeding the minimum threshold of 0.50. Transformational Leadership recorded the highest AVE value at 0.772, followed by Employee Performance at 0.754, Organizational Culture at 0.715, and Job Satisfaction at 0.569. These results demonstrate that each indicator explains more than 50% of the variance of the construct it measures. Consequently, all variables are deemed valid and suitable for further analysis within the structural model.

Discriminant Validity Testing

Discriminant validity was assessed to ensure that each latent construct was empirically distinct from the others. The assessment was conducted using the Fornell–Larcker criterion and cross-loading analysis. The results indicate that the square root of the Average Variance Extracted (AVE) for each construct exceeded its correlations with other constructs. In addition, all measurement

indicators exhibited higher loadings on their respective constructs than on other constructs. These findings demonstrate that each construct adequately represents a unique concept and satisfies the discriminant validity requirement. Therefore, the measurement model possesses sufficient discriminant validity for further structural model analysis.

Tabel 3. Latent Variable Correlation, AVE, and Square Root of AVE

Variable	X ₁	X ₂	Z	Y	AVE	√AVE	Remark
X ₁	1.000	0.656	0.718	0.184	0.772	0.879	Valid
X ₂	0.656	1.000	0.712	0.192	0.715	0.846	Valid
Z	0.718	0.712	1.000	0.324	0.569	0.755	Valid
Y	0.184	0.192	0.324	1.000	0.754	0.868	Valid

As shown in the Table 3, the √AVE values for Transformational Leadership (0,879), Organizational Culture (0,846), Job Satisfaction (0,755), and Employee Performance (0,868) were all greater than their corresponding inter-construct correlations. Therefore, discriminant validity for all constructs in the model was satisfactory established.

Heterotrait – Monotrait Ratio (HTMT)

To provide additional evidence of discriminant validity, the Heterotrait–Monotrait Ratio (HTMT) was employed. This approach evaluates whether the latent constructs are empirically distinguishable and free from conceptual overlap. Following the recommended criterion, HTMT values below 0.90 indicate adequate discriminant validity and confirm that each construct measures a distinct theoretical concept. As shown in Table X, all HTMT values satisfied the recommended threshold, indicating that discriminant validity was successfully established for all constructs included in the research model.

Table 4. HTMT Test Result

Construct/Variable Pair	Heterotrait – Monotrait Ratio (HTMT)	Remark
X ₂ Organizational Culture <-> X ₁ Transformational Leadership	0.758	Valid
Y ₁ Employee Performance <-> X ₁ Transformational Leadership	0.197	Valid
Y ₁ Employee Performance <-> X ₂ Organizational Culture	0.250	Valid
Z ₁ Job Satisfaction <-> X ₁ Transformational Leadership	0.778	Valid
Z ₁ Job Satisfaction <-> X ₂ Organizational Culture	0.819	Valid
Z ₁ Job Satisfaction <-> Y ₁ Employee Performance	0.356	Valid

As shown in Table 4, all HTMT values were below the recommended threshold of 0.90. This finding indicates that the correlations between indicators belonging to different constructs were lower than those among indicators within the same construct, thereby confirming that each construct was empirically

distinct. Therefore, the measurement model demonstrated adequate discriminant validity, supporting the distinctiveness of the latent constructs included in the study.

Reliability Testing

The reliability of the measurement model was evaluated using Cronbach's Alpha, Composite Reliability (CR), and rho_A. The results demonstrate that all constructs achieved Cronbach's Alpha and Composite Reliability values exceeding the recommended threshold of 0.70, indicating satisfactory internal consistency. Furthermore, rho_A values also met the acceptable criterion, confirming that the measurement items consistently represented their corresponding latent constructs. Overall, these findings indicate that the research instrument possesses a high level of reliability and is suitable for structural model evaluation.

Table 5. Composite Reliability Coefficients and Cronbach's Alpha Coefficients

Variable	Composite Reliability (Rho_C)	Cronbach's Alpha	Remark
Transformational Leadership (X1)	0.931	0.902	Reliable
Organizational Culture (X2)	0.882	0.801	Reliable
Employee Performance (Y1)	0.924	0.893	Reliable
Job Satisfaction (Z)	0.913	0.890	Reliable

The results presented in Table 5 indicate that both the Composite Reliability and Cronbach's Alpha values for all four constructs were greater than the recommended threshold of 0.70. These findings confirm that each construct exhibited satisfactory internal consistency, indicating that the measurement items consistently represented their respective latent constructs. Therefore, all constructs were considered reliable and suitable for subsequent structural model analysis.

Model Fit Test

Model fit assessment was performed by comparing the estimated output generated by SmartPLS 4.0 with the recommended model fit criteria. The evaluation criteria used in this study are presented in Table 6.

Table 6. Model Fit Test

Parameter	Rule Of Thumb	Parameter Value	Remark
SRMR	Less than 0.10	0.110	Belum Fit
d-ULS	> 0.05	2.306	Fit
d_G	>0.05	1.853	Fit
Chi-Square	$X^2 \text{ statistic} \geq X^2 \text{ table}$	$369.363 \geq 60.481$	Fit
NFI	Close to 1	0.556	Fit
GOF	0.10 (small); 0.25 (moderate); 0.36 (strong)	0.506	String

Q ² Predictive Relevance	Q ² >0: has predictive relevance; Q ² <0: lacks predictive relevance; 0.002 (weak); 0.15 (moderate); 0.35 (strong)	0.660	Fit
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As shown in Table 6, the model fit assessment confirms that the proposed model meets the recommended evaluation criteria. Consequently, the model is considered adequate for analyzing the relationships among the latent constructs, as it provides a satisfactory representation of the observed data and demonstrates acceptable predictive relevance.

The model fit assessment was conducted using several evaluation indices, including the Standardized Root Mean Square Residual (SRMR), d_ULS, d_G, Chi-square, Normed Fit Index (NFI), Goodness of Fit (GoF), and Predictive Relevance (Q²). As presented in Table 7, most model fit indices met the recommended evaluation criteria. Although the SRMR value (0.110) slightly exceeded the recommended threshold, the d_ULS, d_G, Chi-square, and NFI values indicated an acceptable model fit. Furthermore, the model demonstrated a strong Goodness of Fit (GoF = 0.506) and substantial predictive relevance (Q² = 0.660), indicating that the proposed model adequately explains the relationships among the latent constructs and possesses strong predictive capability. Overall, despite the SRMR value not fully meeting the recommended criterion, the measurement and structural models were considered acceptable for hypothesis testing because the majority of the model fit indices satisfied the recommended standards.

Inner Model Evaluation

The structural model was evaluated by examining the coefficient of determination (R²), predictive relevance (Q²), effect size (f²), and the significance of the hypothesized relationships through the bootstrapping procedure. The coefficient of determination (R²) indicates the proportion of variance explained by the exogenous constructs. The results show that transformational leadership and organizational culture explained a substantial proportion of the variance in job satisfaction, indicating a moderate to substantial explanatory power. Meanwhile, employee performance was explained by transformational leadership, organizational culture, and job satisfaction, suggesting that the proposed model adequately accounted for variations in employee performance.

Table 7. R-Square (R²) Test Results

Variable	R-Square	Remark	Adjusted R-Square	Remark
Z Job Satisfaction	0.618	Moderate	0.600	Moderate
Y Employee Performance	0.111	Weak	0.046	Weak

Table 7 shows that the results of the coefficient of determination (R^2) test illustrate the ability of the structural model to explain endogenous variables. An R^2 value for Job Satisfaction of 0.618 (Adjusted $R^2 = 0.600$) indicates that Transformational Leadership and Organizational Culture are able to explain 61.8% of the variation in Job Satisfaction, which falls into the category of moderate explainability. Meanwhile, Employee Performance obtained an R^2 value of 0.111 (Adjusted $R^2 = 0.046$), which means that Transformational Leadership, Organizational Culture, and Job Satisfaction were only able to explain the 11.1% variation in Employee Performance. These results show that the model has a relatively weak ability to explain employee performance, so there are other factors outside the research model that may have a greater influence on employee performance improvement.

Hypothesis Testing

Hypothesis testing was performed to examine the significance of the structural relationships among the latent constructs proposed in the research model. The analysis was conducted using the bootstrapping procedure in SmartPLS 4.0, a non-parametric resampling technique that estimates the stability and statistical significance of the path coefficients. Unlike conventional parametric methods, bootstrapping does not require the assumption of multivariate normality, making it particularly suitable for Partial Least Squares Structural Equation Modeling (PLS-SEM).

The significance of each hypothesized relationship was evaluated based on three statistical criteria: the path coefficient (β), which indicates the direction and strength of the relationship; the t-statistic, which assesses the statistical significance of the estimated coefficient; and the p-value, which determines whether the relationship is statistically significant at the selected significance level. In this study, a hypothesis was accepted when the t-statistic exceeded 1.96 and the p-value was less than 0.05, indicating a statistically significant relationship between the constructs. Conversely, hypotheses with t-statistics below 1.96 or p-values greater than 0.05 were rejected.

The bootstrapping results revealed that Transformational Leadership and Organizational Culture had significant positive effects on Job Satisfaction. However, neither Transformational Leadership nor Organizational Culture had a significant direct effect on Employee Performance. In addition, Job Satisfaction did not significantly influence Employee Performance and failed to mediate the relationships between Transformational Leadership, Organizational Culture, and Employee Performance. The bootstrapping results for the study model (direct effects and indirects effect) are presented below. The direct – effect bootstrapping results are shown in the following table.

Table 8. Path Coefficient Bootstrapping Results - Direct Effect

	Hypothesis	T Statistics (O/Stdev)	P Values	Remark
H1	Transformational Leadership Significantly Influence Employee Performance	0.241	0.810	Rejected

H2	Transformational Leadership Significantly Influence Job Satisfaction	2.735	0.006	Accepted
H3	Organizational Culture Significantly Influence Employee Performance	0.200	0.841	Rejected
H4	Organizational Culture Significantly Influence Job Satisfaction	2.966	0.003	Accepted
H5	Job Satisfaction Significantly Influence Employee Performance	1.097	0.273	Rejected

Tables 8 present the results of the structural model and mediation analyses. The findings reveal that Transformational Leadership did not have a significant direct effect on Employee Performance ($\beta = -0.086$, $p = 0.810$), whereas it had a positive and significant effect on Job Satisfaction ($\beta = 0.440$, $p = 0.006$), supporting H2 but rejecting H1. Similarly, Organizational Culture showed no significant direct effect on Employee Performance ($\beta = -0.053$, $p = 0.841$), while exerting a positive and significant influence on Job Satisfaction ($\beta = 0.423$, $p = 0.003$), supporting H4 but rejecting H3. In addition, Job Satisfaction did not significantly affect Employee Performance ($\beta = 0.423$, $p = 0.273$), leading to the rejection of H5. Based on these findings, mediation analysis using the bootstrapping procedure was subsequently conducted to determine whether Job Satisfaction mediated the relationships between Transformational Leadership, Organizational Culture, and Employee Performance, with the results presented in Table 9.

Table 9. Path Coefficient Bootstrapping Results - Indirect Effect

	Hypothesis	T Statistics (O/Stdev)	P Values	Remark
H6	Transformational Leadership significantly influence on Employee Performance through Job Satisfaction	0.928	0.354	Rejected
H7	Organizational Culture significantly influence on Employee Performance through Job Satisfaction	0.942	0.346	Rejected

Table 9 explains that the mediation analysis using the bootstrapping procedure revealed that Job Satisfaction did not significantly mediate the relationships between Transformational Leadership, Organizational Culture, and Employee Performance. The indirect effect of Transformational Leadership on Employee Performance through Job Satisfaction was positive but not statistically significant ($\beta = 0.186$, $t = 0.928$, $p = 0.354$), leading to the rejection of H6. Likewise, the indirect effect of Organizational Culture on Employee Performance through Job Satisfaction was also positive but insignificant ($\beta = 0.179$, $t = 0.942$, $p = 0.346$), resulting in the rejection of H7. These findings indicate that although Transformational Leadership and Organizational Culture contribute to improving Job Satisfaction, the increase in Job Satisfaction does not significantly translate into higher Employee Performance. Therefore, Job Satisfaction cannot be regarded as a significant mediating mechanism in the

structural model for employees in the Health Support Services Unit of RSUD Sleman.

Discussion

The findings of this study indicate that transformational leadership has a significant positive effect on job satisfaction but does not directly influence employee performance. These results support the view of Bass and Riggio (2019), who argued that transformational leaders enhance employees' psychological well-being by providing inspiration, individualized consideration, and intellectual stimulation, thereby increasing job satisfaction (Abawa & Obse, 2024). Likewise, the findings are consistent with Irawanto and Riyadi (2023), who reported that effective leadership strengthens employee motivation and organizational commitment. However, the present study differs from many previous studies that identified a significant direct relationship between transformational leadership and employee performance (Adif et al., 2025; Aldossari & Alanizan, 2025). This discrepancy may be explained by the organizational characteristics of supporting healthcare service units, where employee performance is primarily governed by standardized operating procedures, professional competencies, and accreditation requirements rather than by leadership behavior alone (Azmy et al., 2023). From the perspective of Stewardship Theory, these findings suggest that transformational leadership primarily strengthens employees' psychological attachment to the organization, although such improvements do not necessarily translate into measurable performance outcomes in highly regulated public healthcare environments (Dianingrum et al., 2024).

Similarly, organizational culture was found to have a significant positive effect on job satisfaction but did not significantly influence employee performance. This finding is consistent with Schein (2017), who emphasized that organizational culture shapes employees' shared values, work norms, and sense of belonging, thereby fostering a more satisfying work environment (E.H.J. & Sinaga, 2025). The results also corroborate previous studies showing that supportive organizational cultures improve employees' attitudes toward their work. Nevertheless, the absence of a significant direct relationship between organizational culture and employee performance contrasts with findings reported in several organizational behavior studies, where strong organizational cultures were associated with higher productivity and effectiveness (Fardiansyah et al., 2025). A plausible explanation is that employees in the Laboratory, Radiology, and Medical Rehabilitation departments perform highly standardized tasks under strict clinical protocols, leaving limited room for organizational culture to directly influence individual performance (Fauziah et al., 2025). Consequently, while organizational culture contributes to employees' positive perceptions of their workplace, compliance with professional standards and technical competence appears to play a more dominant role in determining actual performance within supporting healthcare services.

Another important finding is that job satisfaction did not significantly affect employee performance and failed to mediate the relationships between transformational leadership, organizational culture, and employee performance (Fireni, 2025). This result differs from many previous studies that identified job satisfaction as an important psychological mechanism linking organizational factors to employee performance. The findings suggest that although employees experience higher levels of job satisfaction due to effective leadership and a supportive organizational culture, such satisfaction alone is insufficient to improve measurable work performance (Hoiriah et al., 2026). In the context of public hospitals, employee performance is generally assessed through objective indicators, including service quality standards, clinical accuracy, patient safety, and compliance with operational procedures. Therefore, performance outcomes are more likely to be determined by institutional regulations, professional competencies, workload, and organizational control systems than by employees' affective responses to their jobs (Hoxha et al., 2024; Hsu & Zhang, 2025). These findings extend Stewardship Theory by demonstrating that stewardship-oriented attitudes may strengthen employees' commitment and satisfaction, yet additional organizational mechanisms are required before these positive attitudes can be translated into higher levels of employee performance.

The findings of this study provide several important theoretical implications for the development of Stewardship Theory in public healthcare organizations. Stewardship Theory assumes that employees, as stewards, are intrinsically motivated to prioritize organizational interests and contribute to organizational success through responsible and professional behavior (Huynh, 2024; Joon et al., 2025). The significant effects of transformational leadership and organizational culture on job satisfaction support this theoretical assumption by demonstrating that supportive leadership and a positive organizational culture foster favorable employee attitudes. However, the insignificant relationships between transformational leadership, organizational culture, job satisfaction, and employee performance indicate that stewardship-oriented attitudes alone are insufficient to improve objective performance outcomes in highly regulated healthcare settings. Instead, employee performance appears to be influenced by additional organizational factors, such as professional competence, standardized clinical procedures, workload, and institutional performance measurement systems (Klau et al., 2025; Kluvers, 2024). Therefore, this study extends Stewardship Theory by suggesting that its explanatory power should be complemented by organizational and institutional perspectives when examining employee performance in public hospitals operating under strict regulatory and accreditation environments.

From a practical perspective, these findings provide valuable insights for hospital management, particularly in the Supporting Healthcare Services Unit of RSUD Sleman. Although transformational leadership and organizational culture successfully improve employees' job satisfaction, hospital managers should not assume that enhancing satisfaction alone will automatically increase employee performance (Novel & Suwanto, 2026). Greater attention should be directed

toward strengthening competency development, continuous professional training, performance-based evaluation systems, workload management, and adherence to standardized operating procedures (Pinna et al., 2025). In addition, management should integrate leadership development programs with organizational quality improvement initiatives that directly support clinical effectiveness and operational efficiency. The findings also contribute to the human resource management literature by providing empirical evidence from supporting healthcare services, a context that has received limited attention in previous studies (Rabbad et al., 2024). By demonstrating that job satisfaction does not mediate the relationships between transformational leadership, organizational culture, and employee performance, this study offers a more nuanced understanding of employee behavior in public hospitals and provides a foundation for future research to investigate additional determinants of employee performance, including work engagement, organizational commitment, psychological empowerment, and professional competence (Sabtoni et al., 2024).

CONCLUSION

This study examined the effects of Transformational Leadership and Organizational Culture on Employee Performance, with Job Satisfaction as a mediating variable, among employees in the Health Support Services Unit of RSUD Sleman. The findings demonstrate that both Transformational Leadership and Organizational Culture significantly improve Job Satisfaction, indicating that supportive leadership and a positive organizational culture contribute to a more satisfying work environment. However, neither variable has a significant direct effect on Employee Performance, and Job Satisfaction also fails to significantly influence Employee Performance. Furthermore, mediation analysis confirms that Job Satisfaction does not significantly mediate the relationships between Transformational Leadership, Organizational Culture, and Employee Performance. These findings suggest that while leadership and organizational culture enhance employees' attitudes, they do not necessarily translate into improved performance. Therefore, Employee Performance in this context is likely influenced by other organizational or professional factors, highlighting the importance of considering additional determinants when developing strategies to improve performance in public healthcare organizations.

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