
RESEARCH ARTICLE

Determinants of Employee Performance: A Case of Indonesia's Islamic Bank Merger

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ABSTRACT

This study aims to determine the influence of change management, organizational culture, and transformational leadership on the performance of Bank Syariah Indonesia employees. This study uses a quantitative approach with an explanatory research type. The data collection method uses questionnaire dissemination. The population used in this study was employees of Bank Syariah Indonesia, amounting to 100 people. Still, in the dissemination process, questionnaires were obtained again and then reduced to 78 questionnaires. The method to process data is SEM (*Structural Equation Model*), which uses AMOS software version 24.0 as a tool. Based on the results of the goodness of fit criteria analysis, after modification, indices obtained χ^2 : 334.059 with $P \geq 0.05$, CMIN / DF: 1.114 (≤ 2.00), RMSE: 0.038 (≤ 0.08), GFI: 0.805 (≥ 0.90), NFI: 0.874 (≥ 0.90), TLI: 0.978 (≥ 0.90), IFI: 0.985 (≥ 0.90). The goodness of fit criterion is in good condition, where after modification, indices can see a decrease in the value of chi-square offset by an increase in other criteria. This explains that modifying indices improves the goodness of fit criteria in good condition. The results of this research analysis include (1) change management has a significant influence on transformational leadership; (2) organizational culture has no influence on transformational leadership; (3) change management has a significant influence on employee performance; (4) organizational culture has a significant influence on employee performance; (5) Transformational leadership has no significant effect on employee performance; (6) transformational leadership has no mediating influence on change management and employee performance; (7) Transformational leadership has no mediating influence on organizational culture and employee performance.

KEYWORDS

Employee Performance, Change Management, Organizational Culture, Transformational Leadership.

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1. Introduction

Islamic banks have become one of the key players in the financial sector, particularly in countries with large Muslim populations, such as Indonesia. In Indonesia, the Islamic banking sector has overgrown in recent years. Islamic banks experienced significant growth in assets, networks, and services. One phenomenon that is quite common in the banking world is the merger process between different banks. In the face of intensifying competition and changing market dynamics, several Islamic banks have begun exploring merger options to strengthen their position in the market. According to neoclassical economics, profit maximization results from mergers and acquisitions (Guijiayi He, 2022). A merger can have a significant impact not only on the company structure but also on employee performance.

In the Indonesian context, mergers between Islamic banks can be an exciting research focus, given the rapid growth of the Islamic banking sector and its potential impact on employee performance. In addition, transformational leadership also plays an essential role in successfully managing the merger process by changing employee perceptions and behaviors, moving them toward a shared vision, and creating a work environment that supports change and growth. On February 1, 2019, Bank Syariah Indonesia (BSI) was established. Bank Syariah Indonesia is the largest Islamic bank in Indonesia because it combines three Sharia central banks: Bank Syariah Mandiri, Bank Rakyat Indonesia Syariah, and Bank Nasional Indonesia Syariah.

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The merger process of the three Islamic banks involves integrating various aspects, including I.T. infrastructure, operational systems, especially change management, and organizational culture. These changes can significantly impact employees in terms of their work and work culture in the newly formed company. Changes in the work environment, job uncertainty, and organizational culture can affect employee motivation, commitment, and productivity, significantly affecting employee performance. Although Islamic bank mergers are increasingly common, research specifically examining the impact of mergers on employee performance is limited, especially in the Indonesian context. Therefore, it is essential to understand the factors that affect employee performance post-merger to assist management in designing effective and sustainable strategies.

By understanding this background, research on the determinants of employee performance in the context of Islamic bank mergers in Indonesia becomes relevant to provide deeper insight into how the merger process affects employee performance and how management can manage these changes effectively. Previous research has shown that employee performance can be influenced by various factors, including internal company factors such as organizational culture, incentive systems, and career development, as well as external factors such as the economic environment and government policies. This influence can be in direct or indirect relationships through other variables, such as individual disposition (Peiro et al., 2020). However, research examining factors that affect employee performance in the context of Islamic bank mergers in Indonesia is still limited.

This study contributes to the literature on various levels (Bashir et al., 2020). Therefore, this study aims to fill the knowledge gap by exploring the determinants of employee performance, especially how much influence change management factors, performance culture, and transformational leadership have on employee performance in the context of Bank Syariah Indonesia mergers. This study aims to identify variables that significantly affect employee performance after the merger. By understanding the factors that affect employee performance, this research is expected to provide valuable insights for company managers, decision-makers, and academics in managing Islamic bank mergers and improving employee performance.

The benefits of this research are theoretical. The results of this research can be used as additional knowledge and reference in improving employee performance through change management, organizational culture, and transformational leadership. At the same time, the practical benefits of this research can be considered by company leaders in improving employee performance.

2. Literature Review

2.1 Employee Performance

Performance or *job performance* is the result or achievement produced by an employee in carrying out his duties and responsibilities at work. This can include various aspects, such as productivity, quality of work, creativity, initiative, adherence to rules, and contribution to organizational goals. According to Colquitt et al. (2021), work performance is the extent to which an employee successfully fulfills the obligations that make up his work. Performance refers to employees' effectiveness or efficiency in performing their duties and work (Bauer, 2021). Based on this description, performance is a form of work produced or carried out by employees, sometimes predicated as achievement. Work performance includes quantitative aspects (e.g., sales figures, output volume) and qualitative aspects (e.g., accuracy, customer satisfaction) of work results. These results are recorded correctly so that the level of performance achievement that should be achieved and what happened can be evaluated appropriately.

Research by Saks (2020) shows that employees who engage emotionally, cognitively, and behaviorally with their jobs tend to perform better. Organizations that can create a work environment that facilitates employee engagement will experience increased productivity and quality of work. Therefore, intrinsic motivation is quite important in improving employee performance. Employees who feel they have autonomy, competence, and supportive relationships in the workplace tend to be more motivated and high performers (Ryan, 2017).

Internal and external factors always affect the good and bad performance of employees. External factors include organizational culture and economic conditions. A corporate culture supporting innovation, teamwork, and employee empowerment can improve performance. According to Guest (2020), stable or unstable economic conditions can affect employee performance through factors such as organizational policies related to development, salary, and job security. External factors can be motivation, health conditions, and employee welfare. Employees' physical and mental health and work-life and personal life balance also affect performance.

2.2 Change Management

Change management involves planning, implementing, and managing change within organizations. It involves understanding how people react to change, strategies to facilitate change, and how to manage resistance that may arise. Change management activities must be carried out, considering that the pace of change will be greater than in the previous period. This means that change occurs because it arises from the following process. Change describes before and after the event occurs, whether related to physical or ideological change, the results of which can be positive (growth), negative (stagnation), or collapse (decline). Change

management aims to provide the solutions businesses (organizations) need to succeed organizationally and through management methods that impact each organization.

Change management plays a crucial role in the success and sustainability of organizations in the face of a changing environment. Change management involves a systematic approach to dealing with change, both from an organizational and individual point of view. Through effective change management, organizations can better manage change, minimize uncertainty, and achieve their strategic goals successfully. The psychological perspective focuses on an individual's reaction to change, including resistance, anxiety, and motivation. Understanding these psychological factors is essential in designing effective change strategies.

2.3 Organizational culture

Organizational culture is the values and norms that govern the behavior of group members, which contain the meaning of what is essential or upheld by an organization or an organization's efforts to control the behavior expected of its members. With this view, organizational culture is relative to one organization, depending on the values and norms developed. It reflects the organization's unique identity and influences how its members interact, work together, and make decisions. Daily community life cannot be separated from the cultural ties created by the community concerned in families, organizations, the business world, and the nation. Culture distinguishes people from each other in the way they interact and act to get a job done.

Organizations with solid cultures may be more complex to change than others. A good organizational culture will significantly influence the behavior of its members because of the high level of togetherness and intensity to create an internal climate.

2.4 Transformational leadership

Transformational leadership is a charismatic leader who has a central role and strategy in bringing the organization to achieve goals, can align the vision of the future with its subordinates, and can elevate the needs of subordinates to a higher level than they need, as according to Geier (2016) that Transformational leadership is a leadership style used by a manager if they want their group to expand boundaries and work beyond the status quo organization to achieve a whole new set of organizational goals.

According to Bass and Riggio (2014) in Hilton et al. (2023) consists of three characteristics of transformational leadership, namely: (1) transformational leadership increases employee awareness of the importance of their tasks and the importance of doing them well; (2) Transformational leadership makes employees aware of their needs for personal growth, development, and achievement. (3) Transformational leadership motivates employees to work for the organization's good rather than exclusively for their gain or gain.

3. Methodology

This study uses a quantitative approach with the type of explanatory research, which is used to test a relationship between variables or find out whether a variable is associated or not with other variables. The population used in this study is employees of Bank Syariah Indonesia Surakarta branch, amounting to 100 people. The sampling technique in this study used the Saturated Sampling Technique, where all populations were sampled. The data collection method uses a predetermined questionnaire dissemination. The questionnaire data collection technique gives respondents questions or written statements. Answers in the questionnaire were closed using the Likert scale (1-5), which has five preference levels. In distributing questionnaires to 100 respondents, 78 questionnaires were obtained again, so this study, 78 respondents were used. The method for processing data is SEM (*Structural Equation Model*), which uses AMOS software version 24.0 as a tool.

4. Results and Discussion

4.1 Results

This research uses SEM (*Structural Equation Model*) analysis. The software used for this research is IBM SPSS AMOS. The results of the SEM model analysis are as follows:

4.1.1 Measurement Model Analysis

In AMOS analysis, the main thing to do is the measurement model analysis using the Confirmatory Factor Analysis (CFA) model. The function of CFA analysis is to measure each construct in a variable and whether it has validity and reliability in measuring each variable. In the study of model measurement (measurement model), the main requirement that must be done first is to test how good the level of goodness of fit of the research model is.

1. Exogenous variables: change management and organizational culture

In the change management variable, χ^2 : 38.981 with $P \geq 0.05$, CMIN / DF: 1.392 (≤ 2.00), RMSE: 0.071 (≤ 0.08), GFI: 0.912 (≥ 0.90), NFI: 0.920 (≥ 0.90), TLI: 0.960 (≥ 0.90), IFI: 0.960 (≥ 0.90). In contrast, the organizational culture variable obtained χ^2 : 8.641 with $P \geq 0.05$, CMIN / DF: 1.080 (≤ 2.00), RMSE: 0.032 (≤ 0.08), GFI: 0.972 (≥ 0.90), NFI: 0.974 (≥ 0.90), TLI: 0.995 (≥ 0.90),

IFI: 0.998 (≥ 0.90). The fit of the initial measurement model (CFA) of change management variables and organizational culture is in excellent condition.

2. Endogenous variables: transformational leadership and employee performance

In the transformational leadership variable, χ^2 : 7.262 with $P \geq 0.05$, CMIN / DF: 1.452 (≤ 2.00), RMSE: 0.077 (≤ 0.08), GFI: 0.967 (≥ 0.90), NFI: 0.970 (≥ 0.90), TLI: 0.981 (≥ 0.90), IFI: 0.990 (≥ 0.90). As for employee performance variables, χ^2 : 44.979 with $P \geq 0.05$, CMIN/DF: 1.249 (≤ 2.00), RMSE: 0.057 (≤ 0.08), GFI: 0.912 (≥ 0.90), NFI: 0.985 (≥ 0.90), TLI: 0.976 (≥ 0.90), IFI: 0.985 (≥ 0.90). The initial measurement model (CFA) match of transformational leadership variables and employee performance is excellent.

Confirmatory Factor Analysis (CFA) measurements for each variable can be continued to see the loading factor. The Construct Reliability (C.R.) value is as follows:

1. Exogenous variables: change management and organizational culture

Change management variables consist of 10 indicators where, after research, nine indicators are declared valid (L.F. ≥ 0.4), and one indicator is invalid (L.F. < 0.4). Then, after reducing the weak indicators, all L.F. values were obtained ≥ 0.4 with C.R. values of 0.951 (C.R. ≥ 0.6). The organizational culture variable consists of 7 indicators, all of which are declared valid (L.F. ≥ 0.4) with a C.R. value of 0.947 (C.R. ≥ 0.6). Thus, it can be concluded that every useful indicator can measure its variables (reliable).

2. Endogenous variables: transformational leadership and employee performance

The transformational leadership variable consists of 5 indicators, all of which are declared valid (L.F. ≥ 0.4) with a C.R. value of 0.916 (C.R. ≥ 0.6). While the employee performance variable from 11 indicators, nine indicators were declared valid (L.F. ≥ 0.4), and two other indicators were invalid (L.F. < 0.4). Then, after reducing weak indicators, all L.F. values ≥ 0.4 with C.R. values of 0.964 (C.R. ≥ 0.6). Thus, it can be concluded that every valid indicator can measure its variables (reliable).

4.1.2 Structural Model Analysis

In structural model analysis, it is necessary to meet the preloaded criteria of assumptions before looking at the interaction of constructs. The assumption criteria are as follows:

1. Evaluation of Multivariate Outliers. The observation number values mostly have P1 and P2 values in the ≥ 0.05 range, so it can be ascertained that most observation numbers are not detected as outliers. The sample of 78 respondents above showed that the model is not generally distributed in a multivariate manner (can be seen in subnormality). However, this study's observation number containing outliers will not be eliminated because the number of samples used is proportional to represent the population.

2. Normality Test

Table 1. Normality Test

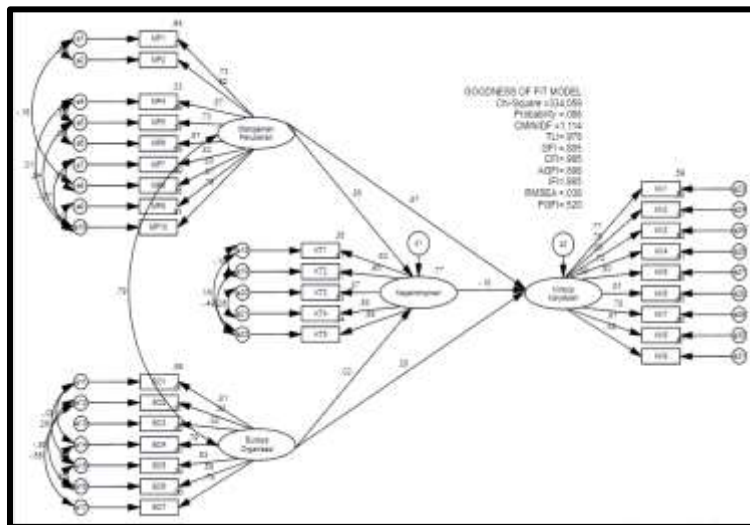
Variable	c.r.	Variable	c.r.
KK11	0,238	-	-
KK10	-1,248	BO2	0,33
KK9	-1,022	BO3	1,581
KK8	2,404	BO4	-0,988
KK7	3,714	BO5	-1,170
KK6	1,632	BO6	-1,349
KK5	0,953	BO7	0,216
KK4	0,794	MP1	0,075
KK3	-0,387	MP2	-1,151
KK2	0,76	MP3	-0,852
KK1	1,828	MP4	1,124
KT1	1,165	MP5	0,534
KT2	2,153	MP6	2,222
KT3	1,765	MP7	1,451
KT4	2,503	MP8	0,626

KT5	0.086	MP9	1,964
BO1	1,384	MP10	2,751
Multivariate: 18.928			

The C.R. Kurtosis value for all indicators is within the range of ± 2.58 ; this shows that most indicators are typically distributed. At the same time, multivariate gives a C.R. value of 18,928, where the value is outside the range of ± 2.58 values, so it can be concluded that the data produced in multivariate is not normally distributed.

1. Asumsi Kriteria Goodness of Fit

The assumption of the goodness of fit criteria of the structural model obtained values χ^2 : 1190.833 with $P < 0.05$, CMIN / DF: 2.430 (≤ 2.00), RMSE: 0.136 (≤ 0.08), GFI: 0.554 (≥ 0.90), NFI: 0.569 (≥ 0.90). TLI: 0.663 (≥ 0.90), IFI: 0.692 (≥ 0.90). It is known that every criterion of goodness of fit is in bad condition. To overcome data conditions that do not meet the criteria of goodness of fit, it is necessary to do modification indices, which correlate between each error in the construction to reduce the value of Chi-Square to increase the goodness of fit. The goodness of fit criteria after modification indicates obtained χ^2 : 334.059 with $P \geq 0.05$, CMIN/DF: 1.114 (≤ 2.00), RMSE: 0.038 (≤ 0.08), GFI: 0.805 (≥ 0.90), NFI: 0.874 (≥ 0.90). TLI: 0.978 (≥ 0.90), IFI: 0.985 (≥ 0.90). The goodness of fit criterion is in good condition, where after modification indices, a decrease in the value of chi-square with the increase in other criteria can be seen. This explains that with modification indices, the criteria for goodness of fit improve and are in good condition.



Gambar 1. Structural Model SEM

From the results of the assumption testing, it can be concluded that the structural model is declared fit (feasible). Even though it does not meet the normal distribution in a multivariate manner, the analysis is still carried out using the bootstrapping maximum likelihood method. The results of hypothesis testing with the bootstrapping complete likelihood method are as follows:

Table 2. Estimated Value of Regression Weight Bootstrapping Maximum Likelihood

			Estimate	C.R.	P	Information
Leadership	<---	Manajemen_Perubahan	0.643	4.591	0.000	Significant
Leadership	<---	Budaya_Organisasi	0.014	0.204	0.838	No Significant
Kinerja_Karyawan	<---	Leadership	-0.280	-1.200	0.230	No Significant
Kinerja_Karyawan	<---	Manajemen_Perubahan	0.996	4.043	0.000	Significant
Kinerja_Karyawan	<---	Budaya_Organisasi	0.307	2.665	0.008	Significant

The proof of the mediating variable of the Transformational Leadership variable will be proven by the Sobel theory, with the following results:

Table 3. Sobel Test Scores

Relationships Between Variables			Sobel Test			Information
			T-test	Prob.(1-tail)	Prob.(2-tail)	
Change Management	Transformational Leadership	Employee performance	-1.162	0.122	0.245	No Mediate
Organizational Culture		Employee performance	-0.194	0.423	0.846	No Mediate

To know the magnitude of direct influence, describe the contribution made by each variable. The results can be seen in the picture as follows:

Table 4. Direct and Indirect Effects

Variable	Direct Effect (Direct Influence)		Indirect Effect (Indirect Influence)
	Transformational Leadership	Employee Performance	
Change Management	0.862	0.866	-0.156
Organizational Culture	0.020	0.276	-0.004
Work Environment	-	-0.181	-

The contribution amount between direct and indirect influence is obtained based on the table above. The direct influence on transformational leadership, where the most dominant influence is change management, is 0.862 (86.2%), while organizational culture is 0.020 (2%). Change management was the most dominant direct influence on employee performance at 0.866 (86.6%) and corporate culture at 0.276 (27.6%). While indirect influence after mediation is that transformational leadership does not mediate influences among them. First, transformational leadership does not judge the effect of change management on employee performance. This means that transformational leadership does not affect the impact of change management on improving employee performance but somewhat decreases employee performance (-0.156 (-15.6%)). Second, organizational culture does not mediate the effect of change management on employee performance. This means that transformational leadership does not affect corporate culture to improve employee performance but decreases employee performance (-0.004 (-0.4%)).

4.2 Discussion

4.2.1 Change Management Affects Transformational Leadership

Based on data processing, it is known that the C.R. value is 4,591 (+) with a P value of 0.000. The result shows a C.R. above 1.96 (4,591 > 1.96) and a P value below 0.05 (0.000 < 0.05), meaning that H1 is accepted. In change management, a leader is needed who can develop and direct each employee towards better things in advancing the development of the company. Based on the theory of Potts and LaMarsh (2004), it was revealed that a leader's leadership style can influence change management. This is because the leader is a determinant of direction in facing change. As leaders, we don't just take tactical steps but can manage change with all our abilities to set an example of inspiration and motivation for employees. Change management in every company requires leaders who can communicate, be transparent, and explain related to change. In addition, leadership also plays a role in facilitating collaboration and coordination across all lines of the organization. Leaders must build strong cooperation between different parts of the organization, overcome resistance to change, and direct joint efforts to achieve common goals. The results of this study are consistent with research conducted by Sinaga et al. (2018), which shows that change management influences transformational leadership. Harahap and Islami (2022) explained that an organizational leader must have a leadership spirit in developing his organization, and a new or old leader must have a strategy for creating organizational changes to be better than before. Yusnita and Aslami (2022) and Salim and Castrawijaya (2023) argue that leadership is the primary influence in changing human resource management. Change requires strength, independence, confidence, and more commitment to drive change in all the complexity of problems and obstacles, so change is an aspect of authority, character, and responsibility.

4.2.2 Organizational Culture Influences Transformational Leadership

Based on data processing, it is known that the C.R. value is 0.204 (+) with a P value of 0.838. The result shows a C.R. below 1.96 (0.204 < 1.96) and a P value above 0.05 (0.838 > 0.05), meaning that H2 is rejected. In a competitive organizational environment, a leader who is reliable and capable for all situations is needed. Elements of ideas, beliefs, values, and organizational norms reflected

in organizational culture become important points in assessing success. Therefore, leaders who fit the corporate culture will consider leadership styles that are appropriate to the steps they will take in the long term.

Based on the analysis results, contradictory results were obtained where organizational culture did not affect transformational leadership. This could happen due to certain factors. For example, Bank Syariah Indonesia employees emphasize providing customers with good service. In addition, job demands from each subdivision are pursued with performance achievement targets. The next factor is the level of employee dependence on leaders and companies, which tends to be high. Therefore, employees generally strive to identify themselves with the workplace company to be recognized as part of the company. Organizational culture manifests in the form of individual behavior, the extent to which employees engage in the obligation to innovate, and how those employees value themselves and their coworkers in terms of contributions made to the company. Transformational leadership is defined as the ability of leaders to change the work environment, work motivation, work patterns, and work values perceived by subordinates to optimize performance. In line with Riski et al.'s research (2014), transformational leadership does not influence high organizational culture.

4.2.3 Change management affects employee performance.

Based on data processing, it is known that the C.R. value is 4.043 (+) with a P value of 0.000. The result shows a C.R. above 1.96 ($4.043 > 1.96$) and a P value below 0.05 ($0.000 < 0.05$), meaning that H3 is accepted. This means that the better the change management, the better the performance of Bank Syariah Indonesia employees. The influence of change management can be seen in (1) Generating a sense of urgency, (2) creating a coalition of change guides, (3) developing several options to address problems or opportunities, (4) communicating a vision of change; (5) empowering employees for broad-based action; (6) celebrate short-term wins; (7) consolidate the results of the changes that have been achieved and continue subsequent changes; (8) strengthening (institutionalization) of work behavior as planned; (9) sustain (benefit) change. Based on the analysis, it is known that the indicators that indicate the most significant role in measuring change management are strengthening (institutionalizing) work behavior as planned and celebrating short-term victories. This shows that changes in the organizational structure carried out by Bank Syariah Indonesia have a positive influence on the performance of each employee in how to appreciate employee achievements with short-term targets and provide an appeal for accomplishments according to the plan to face other changes in the longer term.

Companies should be able to analyze changes carefully and precisely, and employees should be able to adapt to these changes so that they do not adversely affect the company's sustainability and can continuously increase profits. A change in the work environment should not be done with haste and compulsion but must be gradual so that employees can follow the company's changes. In addition, the company also provides support to assist employees in understanding changes in company management so that employees do not feel pressure in situations or relative adjustment periods. In line with research by Elvina et al. (2023), organizations that do not involve employees in the changes will not make the work environment and atmosphere more conducive. In addition, the absence of appreciation for the achievements produced by changing policies that must be obeyed will impact reluctance to try more optimally.

The results of this study do not support research conducted by Ekechi and Umar (2020), explaining that change management indicators (changes in technological and organizational leadership) affect employee performance. Dereso and Kant (2023) show that the four variables of change management, structural change, technological change, strategic change, and leadership change, significantly affect employee performance. Katsaros et al. (2020) explained that readiness to change positively and significantly affects performance. A proactive (rather than reactive) and appropriate change management strategy is an essential factor in the performance of Bank Syariah Indonesia employees, which often goes beyond achieving the organization's long and short-term goals and objectives.

4.2.4 Organizational Culture Affects Employee Performance

Based on data processing, it is known that the C.R. value is 2.665 (+) with a P value of 0.008. The result shows a C.R. above 1.96 ($2.665 > 1.96$) and a P value below 0.05 ($0.008 < 0.05$), meaning that H4 is accepted. Good organizational culture conditions will increase cooperation between Bank Syariah Indonesia employees so that they can optimally achieve goals and company progress. The influence of corporate culture can be seen from (1) Innovation and risk-taking. (2) Attention to detail. (3) Results orientation. (4) Individual Orientation. (5) Team Orientation. (6) Aggressiveness. (7) Stability. Based on the analysis, it is known that the indicators that indicate the most significant role in measuring organizational culture are attention to detail and result orientation. A good corporate culture will positively impact its employees, where employees feel safe and handle fasting at work. On the other hand, a bad organizational culture will have a bad impact on its employees, where discomfort and dissatisfaction in working will affect work productivity both in the short and long term for the company's development.

In Sutrisno's theory (2020), an organizational culture managed as part of management tools will encourage employees to be positive, dedicated, and productive. Although corporate culture is invisible, it has the power to promote behaviors that will result

in effectiveness in performance. Behavior is associated with values, norms, attitudes, and work ethics. These elements are the basis for employee behavior, thinking, cooperation, and interaction with the surrounding environment. If the organizational culture is good, it can increase organizational commitment and contribute to the company's success. In line with the research of Strengers et al. (2022), Zeb et al. (2022) explained the influence of organizational support types on employee performance appraisals. The type of organizational culture that clans most prefer (clans and adhocracy) is positively correlated, and the types of corporate culture that are less present and choose to decline (markets and hierarchies) are negatively correlated with overall performance assessments. Employees prefer clan and adhocracy organizational culture types, which have proven beneficial for performance improvement. Kao et al. (2020), Shum (2021), and Gencer et al. (2021) showed that the results of this study can provide insight, considering that organizational culture is essential and is a factor in improving performance. In this regard, our findings support the need for managers/leaders to provide the needs of a work environment with the same value system to improve employee performance. Employees can see themselves as part of the organization and act in line with its goals thanks to shared values and norms.

4.2.5 Transformational Leadership Affects Employee Performance

Data processing shows that the C.R. value is 1,200 (-), with a P value of 0.230. The result shows a C.R. below 1.96 ($1,200 < 1.96$) and a P value above 0.05 ($0.230 > 0.05$), meaning that H_5 is rejected. Transformational leadership is a leadership model for a leader who tends to motivate employees or subordinates to work better by focusing on behavior to help transform between employees/individuals with organizations/companies. Based on the results obtained from the analysis, transformational leadership does not affect the performance of Bank Syariah Indonesia employees.

There are several arguments that transformational leadership may not significantly impact employee performance. First, the context of the organization is not supportive. Although transformational leadership can motivate and inspire employees, its effect may be limited if organizational conditions do not support individual growth and development. For example, if *reward* systems and performance recognition are not driven by transformational leadership, employees may not feel enough drive to improve their performance. Transformational leaders may have an inspiring vision and strong charisma. Still, they can also have knowledge, skills, and experience limitations limiting their ability to influence employee performance. Transformational leadership can fail if leaders lack the knowledge or skills to design and implement effective change strategies. Third, employee resistance and uncertainty. Employees may experience resistance to change or be uncomfortable with the high levels of uncertainty often associated with transformational leadership. If employees feel uncertain about the consequences of a proposed change, they may be reluctant to follow directions from transformational leaders. Although transformational leadership can significantly contribute to employee motivation and commitment, performance is also influenced by various other factors, such as economic conditions, support from coworkers, and individual needs. In some cases, the impact of transformational leadership may be too small compared to the influence of other, more dominant factors.

This research is in line with Rafia et al. (2020), Fayzhall et al. (2020), and Hutagalung et al. (2020), who found evidence that leadership does not have a significant effect on performance. The existence of transformational leadership practices has little influence on employee performance because they are relatively more independent. Meiryani et al. (2022) stated that transformational leadership does not affect employee performance. This indicates that the leader cannot motivate and transfer expectations and goals to employees. Leaders must leverage understanding and straightforwardness to derive more valuable contributions and superior employee performance.

Furthermore, leaders must have strong bonds with their staff, keep open lines of contact with them, and provide advice and care. This research contradicts the results showing that transformational leadership is positively related to work performance; this is in line with Al Harbi et al. (2019), Lai et al. (2020), and Hsinking et al. (2023). These results reinforce the transformational leadership theory that transformational leaders stimulate subordinate employees by expressing their concerns and offering incentives, which allow employees to trust and follow the leader and improve performance.

4.2.6 Transformational Leadership Can Mediate the Effects of Change Management on Employee Performance

Based on the analysis of the Sobel Test, a value of 1,162 (-) was obtained with a value of Prob. (1-tail) of 0.122 and Prob. (2-tail) of 0.245. The result shows a C.R. below 1.96 ($1,162 < 1.96$) and a P value above 0.05 ($0.122 > 0.05$ and $0.245 > 0.05$), meaning that H_6 is rejected. Transformational leadership does not mediate the effect of change management on employee performance. Transformational leadership is a leader who motivates his subordinates to work optimally to achieve company goals. The impact of the influential leadership style in this study is due to employee assessment. The leadership does not last long and is stagnant. Leaders motivate their employees in certain conditions, so it has become a habit in the employee environment that the leader will encourage them only at certain times. In addition, the leader cannot motivate and transfer expectations and goals to employees. This results in how a transformational leadership style does not impact management changes to increase employee performance and productivity, which aligns with research. This research is in line with Rafia et al. (2020), and Fayzhall et al., 2020 the existence

of transformational leadership practices has little influence on employee performance because they are relatively more independent.

4.2.7 Transformational leadership can mediate the influence of organizational culture on employee performance.

Based on the analysis of the Sobel Test, a value of 0.194 (-) was obtained with a value of Prob. (1-tail) of 0.423 and Prob. (2-tail) of 0.846. The result shows a C.R. below 1.96 ($0.194 < 1.96$) and a P value above 0.05 ($0.423 > 0.05$ and $0.846 > 0.05$), meaning that H7 is rejected. Transformational leadership does not mediate the influence of organizational culture on employee performance. The impact of the lack of influence of leadership style in this study is because Bank Syariah Indonesia employees emphasize more on providing exemplary service to customers. In addition, job demands from each subsection are pursued with performance achievement targets. So, most employees lack a sense of attachment to the company that should participate in carrying out a renewal to innovate and have an orientation to move forward both in teams and personally. In addition, leadership style does not impact improving performance. Because of the employee's assessment, this attitude does not last long and is stagnant. In addition, the leader cannot motivate and transfer expectations and goals to employees. This results in how the transformational leadership style does not impact the culture in the company environment to increase employee performance and productivity. According to Jin and Boyoung (2022), to initiate new changes and encourage the participation of organizational members as well as instill a commitment to future-oriented administrative activities, there is a need to consider changing the activities of executive members by building innovative corporate cultures and recreating jobs in line with research. This study's results align with two related studies, namely Riski et al. (2014), which explained that transformational leadership does not influence high organizational culture. Rafia et al. (2020) and Fayzhall et al., 2020 transformational leadership practices have little influence on employee performance.

5. Conclusion

Based on the results of the analysis and discussion of determining factors that affect employee performance in the case of the Bank Syariah Indonesia merger, where discussing the influence of change management, organizational culture, and transformational leadership on employee performance, the following conclusions can be drawn:

1. Change management positively and significantly influences transformational leadership, so the first hypothesis is proven true.
2. Organizational culture does not significantly affect transformational leadership, meaning the second hypothesis is not proven.
3. Change management significantly influences employee performance, which means the third hypothesis is proven true.
4. Organizational culture significantly influences employee performance, which means the fourth hypothesis is proven true.
5. Transformational leadership does not significantly affect employee performance, so the fifth hypothesis is not substantiated.
6. Transformational leadership does not mediate change management and employee performance, which means the sixth hypothesis is unsubstantiated.
7. Transformational leadership does not mediate organizational culture, and employee performance means the seventh hypothesis is unsubstantiated.

The current study has some limitations that must be considered when interpreting the results (Cabarcos, 2022). One of the main limitations of this study is that the only independent variables examined are change management and organizational culture, even though many other independent variables affect employee performance. Future research is expected to add independent variables that may affect employee performance, such as motivation, job satisfaction, *work-life balance*, organizational commitment, etc. The results of this study cannot be generalized in other places or times because the research subjects are limited to employees of Bank Syariah Indonesia Surakarta Branch. Therefore, it would be better if further research could expand the scope of research subjects so that the number of subjects participating is much greater.

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