

Pastoral Leadership as a Catalyst in Strengthening the Organizational Culture– Performance Link: The Mediating Role of Organizational Commitment in West Kalimantan Credit Unions

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Abstract

This study investigates the influence of organizational culture on employee performance in the cooperative financial sector, incorporating organizational commitment as a mediator and pastoral leadership as a moderator. The research was conducted among 317 employees from selected Credit Unions in West Kalimantan, Indonesia, using a quantitative survey approach. Data were analyzed with WarpPLS 7.0, following a two-step evaluation of the measurement and structural models. The findings reveal that organizational culture exerts a strong positive effect on organizational commitment ($\beta = 0.655$, $p < 0.001$) and a moderate positive effect on employee performance ($\beta = 0.296$, $p < 0.001$). Organizational commitment significantly enhances employee performance ($\beta = 0.468$, $p < 0.001$) and partially mediates the relationship between culture and performance (indirect effect $\beta = 0.306$, $p < 0.001$). Furthermore, pastoral leadership strengthens the culture–performance link through a positive and significant moderating effect ($\beta = 0.136$, $p = 0.007$). The model demonstrates satisfactory explanatory power ($R^2 = 0.429$ for commitment; $R^2 = 0.473$ for performance) and predictive relevance ($Q^2 = 0.431$ and $Q^2 = 0.566$, respectively), with a large overall goodness-of-fit ($GoF = 0.557$). These results emphasize the strategic importance of aligning organizational culture with pastoral leadership principles to foster employee commitment and drive sustainable performance in cooperative institutions. The study offers theoretical contributions to the literature on organizational behavior in values-based organizations and practical implications for leaders seeking to strengthen cultural cohesion, moral stewardship, and operational effectiveness.

Keywords: Organizational Culture, Organizational Commitment, Pastoral Leadership, Employee Performance, Credit Unions, Warppls

Introduction

Credit Unions in Indonesia occupy a distinctive position within the national financial system, operating not merely as profit-oriented financial institutions but as community-based organizations rooted in solidarity, trust, and shared moral values. In provinces such as West Kalimantan, Credit Unions play a vital socio-economic role by promoting financial inclusion, social cohesion, and member empowerment. Within such value-driven organizations, sustaining employee performance requires more than technical competence or formal incentives; it demands a strong alignment between organizational culture, employee commitment, and leadership that reflects the cooperative ethos.

Extant organizational research has consistently demonstrated that organizational culture is a key determinant of employee attitudes and performance outcomes (Robbins & Judge, 2013; Martinez et al., 2015). A cohesive culture provides shared meaning, behavioral guidance, and normative control that shape how employees interpret their roles and responsibilities. Empirical studies across various sectors have shown that strong organizational culture enhances employee

performance directly and indirectly through psychological mechanisms such as motivation, engagement, and organizational commitment (Bagis et al., 2020; Khan et al., 2022). However, findings regarding the strength and consistency of these relationships remain mixed, suggesting that contextual and leadership-related factors may condition how cultural values are translated into performance.

Organizational commitment, defined as employees' emotional attachment, moral obligation, and intention to remain with an organization (Meyer & Allen, 1997; Meyer et al., 2019), has been widely recognized as a crucial mediating mechanism in the culture–performance relationship. When employees internalize organizational values, they are more likely to demonstrate discretionary effort, adaptability, and sustained performance. Nevertheless, prior studies have largely examined this mediating role in corporate or public-sector settings, with limited attention to cooperative financial institutions, particularly in developing country contexts such as Indonesia.

Leadership represents another critical, yet underexplored, contextual factor in this relationship. Existing leadership research has predominantly focused on widely studied styles such as transformational, transactional, servant, or authentic leadership when explaining performance outcomes. While these approaches emphasize vision, empowerment, or ethical conduct, they do not fully capture the relational, moral, and community-oriented leadership practices that characterize many cooperative organizations. In this regard, pastoral leadership offers a distinct and theoretically meaningful alternative. Rooted in the metaphor of shepherding, pastoral leadership emphasizes care, moral guidance, stewardship, and responsibility for collective well-being (Sutadi & Mulyanto, 2009; Frederik, 2020). Despite its strong relevance to value-based and faith-influenced organizations, pastoral leadership remains empirically underrepresented in mainstream organizational behavior literature, particularly as a contextual variable that shapes how culture influences performance.

This study addresses this gap by explicitly contrasting pastoral leadership with more commonly examined leadership styles and by positioning it as a moderating force that strengthens the translation of organizational culture into employee performance. In the context of Credit Unions in West Kalimantan—many of which are historically shaped by pastoral and community-oriented values—pastoral leadership is expected to reinforce trust, moral alignment, and emotional bonds between employees and the organization. These conditions, in turn, may amplify both the direct effect of organizational culture on performance and its indirect effect through organizational commitment.

Accordingly, this research proposes and tests a moderated mediation model in which organizational culture influences employee performance both directly and indirectly through organizational commitment, while pastoral leadership moderates the direct culture–performance relationship. By integrating organizational culture, commitment, and pastoral leadership within a single analytical framework, this study makes three key contributions. First, it extends the culture–performance literature by clarifying the mediating role of organizational commitment in cooperative financial institutions. Second, it advances leadership research by empirically examining pastoral leadership as a distinct, value-based leadership style beyond dominant leadership paradigms. Third, it offers practical insights for Credit Union leaders and policymakers in Indonesia by demonstrating how culturally grounded leadership can enhance employee commitment and sustain performance in community-based organizations.

Literature Review

Organizational Culture and Its Role in Organizational Performance

Organizational culture represents the shared values, beliefs, norms, and behavioral patterns that define how members of an organization interact and work toward common objectives (Robbins & Judge, 2013). A strong culture fosters alignment between individual behavior and organizational goals, encouraging risk-taking, teamwork, and consistent quality standards. In the context of cooperative financial institutions such as Credit Unions, organizational culture not only influences operational practices but also shapes trust-based relationships with members, which are essential for sustainable performance.

Prior research consistently shows a positive association between organizational culture and employee outcomes, including performance (Martinez et al., 2015; Smollan & Mooney, 2024). Cultural dimensions such as innovation, attention to detail, results orientation, and team orientation contribute to a work environment that motivates employees to excel. In cooperative settings, these cultural traits also translate into stronger member loyalty and higher social capital.

Organizational Commitment as a Mediator

Organizational commitment is defined as the psychological attachment of employees to their organization, encompassing affective, normative, and continuance dimensions (Meyer et al., 2019). Employees with strong commitment are more willing to exert discretionary effort, remain with the organization, and uphold its values. In the culture–performance linkage, commitment plays a pivotal mediating role. A cohesive and value-driven culture increases employees’ affective attachment and sense of responsibility, which in turn drives higher performance (Bagis et al., 2020; Khan et al., 2022). However, empirical findings have been mixed, some studies have found significant mediation, while others have reported weak or nonsignificant effects (Kurniawati, 2021). This inconsistency underscores the need to explore context-specific factors, such as pastoral leadership, that may strengthen the mediation pathway.

Pastoral Leadership as a Moderator

Pastoral leadership draws from the theological metaphor of the shepherd, emphasizing service, moral guidance, care, and communal responsibility (Sutadi & Mulyanto, 2009). In organizational contexts, it can be understood as a value-based leadership style that integrates vision-setting, empathy, and participatory governance. Pastoral leaders act not only as strategists and change agents but also as mentors and caregivers, ensuring both the professional and personal well-being of their members.

Pastoral leadership resonates strongly with cooperative principles, where community welfare and moral stewardship are central. It has been linked to higher employee commitment (Vrcelj et al., 2024), creativity and performance (Zada et al., 2023), and transformational organizational change (Gregory, 2023). In this study, pastoral leadership is conceptualized as a moderator that can amplify the positive influence of organizational culture on performance by aligning moral values with operational practices.

Employee Performance as the End Outcome

Employee performance refers to the quantity, quality, and effectiveness of work achieved in line with organizational standards and goals. High-performing employees contribute to cooperative growth through increased productivity, quality service delivery, adaptability, and collaborative engagement with stakeholders. Performance measurement in this study adopts indicators such as quantity of work, quality of work, dependability, initiative, adaptability, and cooperation (Ishaq et al., 2014).

Hypothesis Development

Grounded in organizational behavior theory and supported by empirical studies, the following hypotheses are proposed: (1) H1, Organizational culture has a positive and significant effect on organizational commitment. A cohesive and value-driven culture fosters employee identification with the organization, enhancing emotional attachment and loyalty (Meyer et al., 2019; Robbins & Judge, 2013); (2) H2, Organizational culture has a positive and significant effect on employee performance. Strong cultural alignment motivates employees to meet performance standards and pursue organizational goals (Martinez et al., 2015; Smollan & Mooney, 2024); (3) H3, Organizational commitment has a positive and significant effect on employee performance. Committed employees demonstrate higher persistence, adaptability, and quality output, translating into improved performance metrics (Bagis et al., 2020; Khan et al., 2022); (4) H4, Pastoral leadership positively moderates the relationship between organizational culture and employee performance. When pastoral leadership is high, the positive impact of culture on performance is amplified through enhanced trust, moral guidance, and care-driven engagement (Sutadi & Mulyatno, 2009).

Methods

This study employed an explanatory quantitative research design to examine the causal relationships among organizational culture, organizational commitment, employee performance, and pastoral leadership within Credit Unions in West Kalimantan, Indonesia. The approach was grounded in a causal-comparative framework, enabling the analysis of both direct and indirect effects, including the moderating influence of pastoral leadership. The research applied Structural Equation Modeling (SEM) using WarpPLS 7.0, a method well-suited for complex models involving multiple latent constructs and indicators, as well as non-normal data distributions. The research was conducted between June and August 2025 in selected Credit Unions across West Kalimantan, a province where cooperative finance plays a pivotal socio-economic role. The region hosts 41 registered Credit Unions, including three of the largest in Indonesia. These institutions operate not only as financial entities but also as community-based organizations shaped by Catholic pastoral values, making them an ideal setting for exploring the interplay between cultural alignment, commitment, leadership, and performance. The population comprised all employees of Credit Unions in the province. Sampling was conducted using a multistage random sampling strategy, preceded by purposive selection to ensure organizational maturity, financial capacity, and operational scale.

Credit Unions were eligible if they had been in operation for at least 25 years, held assets above IDR 500 billion, and employed more than 250 staff members. Based on these criteria, three Credit Unions Lantang Tipo, Keling Kumang, and Semandang Jaya were selected to represent diverse geographical locations. Following the sample size guidelines of Hair et al. (2010), which recommend a minimum of five to ten times the number of measured indicators, the study determined that 147 respondents would be sufficient given the 21 indicators used. This sample was proportionally distributed across the three selected Credit Unions. Data collection relied on both primary and secondary sources. Primary data were obtained through a structured questionnaire designed to capture responses on a five-point Likert scale, ranging from “strongly disagree” to “strongly agree.” The questionnaire was developed based on established measurement scales from prior studies and contextualized for the Credit Union environment in West Kalimantan. Before distribution, the instrument underwent expert validation involving three academic scholars and two senior CU practitioners to ensure clarity and content relevance. Secondary data, including organizational profiles and financial records, were gathered from CU documentation and official statistics.

The variables in the study were operationalized as follows: organizational culture was measured using seven indicators adapted from Robbins & Judge (2013), such as innovation

and risk-taking, attention to detail, results orientation, people orientation, team orientation, aggressiveness, and stability. Organizational commitment followed the three-dimensional framework of Meyer & Allen (1997), encompassing affective, normative, and continuance commitment. Employee performance was assessed using six indicators from Wiśniewska-Paź (2022), covering quantity, quality, dependability, initiative, adaptability, and cooperation. Pastoral leadership was conceptualized according to Frederik (2020), which includes divine calling, equality, stewardship, sacrifice, and expansion of God’s Kingdom. All constructs were modeled as reflective latent variables. Data analysis proceeded in two major stages using WarpPLS 7.0. The measurement model was first evaluated for convergent validity, discriminant validity, and reliability. Convergent validity was confirmed when factor loadings exceeded 0.70 and average variance extracted (AVE) surpassed 0.50. Discriminant validity was established using the Fornell–Larcker criterion and the heterotrait–monotrait ratio (HTMT) below 0.90. Reliability was assessed through Cronbach’s alpha and composite reliability, with thresholds above 0.70.

Once the measurement model was validated, the structural model was examined to test the hypothesized relationships. Path coefficients (β) and their significance levels ($p < 0.05$) were obtained through a bootstrapping procedure with 5,000 resamples and no sign changes. Model explanatory power was assessed using R^2 values, with benchmarks of 0.25, 0.50, and 0.75 for weak, moderate, and substantial levels, respectively. Predictive relevance (Q^2) values greater than zero indicated acceptable predictive capacity. Effect sizes (f^2) were interpreted following Cohen’s guidelines. The moderation effect of pastoral leadership was tested using an interaction term approach, while the mediating role of organizational commitment was examined through the specific indirect effects feature in WarpPLS. Ethical considerations were integral to the research process. Informed consent was obtained from all respondents, and participation was voluntary. The anonymity and confidentiality of all participants were strictly maintained. Furthermore, the data collection process was conducted with sensitivity to the cultural and religious context of the Credit Unions, ensuring that the integration of pastoral leadership themes was treated respectfully. Through this methodological approach, the study ensured both rigor and contextual relevance, enabling the robust testing of its conceptual model within a distinctive socio-cultural and organizational setting.

Results and Discussion

Model Fit and Quality Indices

The model demonstrated strong overall fit and explanatory power. The Average Path Coefficient (APC) was 0.389 ($p < 0.001$), indicating that the average strength of the relationships among variables was both substantial and statistically significant. The Average R-squared (ARS) reached 0.451 ($p < 0.001$), suggesting that the model explained 45.1% of the variance across endogenous constructs. Similarly, the Average Adjusted R-squared (AARS) was 0.447 ($p < 0.001$). Multicollinearity was not a concern, as both the Average block VIF (AVIF) and the Average full collinearity VIF (AFVIF) were well below the recommended threshold of 3.3. The Tenenhaus Goodness-of-Fit (GoF) value of 0.557 indicated a large effect size for the overall model. Other quality indices, such as the Sympon’s Paradox Ratio (SPR = 0.750), R-squared Contribution Ratio (RSCR = 0.953), and Statistical Suppression Ratio (SSR = 1.000), all met acceptable thresholds. All model fit results are presented in the following table.

Table 1. Model Fit and Quality Indices

Indices	Result
Average path coefficient (APC)	0.389, $P < 0.001$

Average R-squared (ARS)	0.451, P<0.001
Average adjusted R-squared (AARS)	0.447, P<0.001
Average block VIF (AVIF)	1.616
Average full collinearity VIF (AFVIF)	2.039
Tenenhaus GoF (GoF)	0.557
Sympson's paradox ratio (SPR)	0.750
R-squared contribution ratio (RSCR)	0.953
Statistical suppression ratio (SSR)	1.000
Nonlinear bivariate causality direction ratio (NLBCDR)	0.875

WarpPLS 7.0

Measurement Model Evaluation

The measurement model exhibited satisfactory reliability and validity. Composite reliability (CR) values for all constructs ranged from 0.929 to 0.969, exceeding the minimum threshold of 0.70, while Cronbach's alpha values ranged from 0.912 to 0.966, confirming internal consistency. Average Variance Extracted (AVE) values were between 0.562 and 0.679, surpassing the 0.50 benchmark for convergent validity. Combined loadings ranged from 0.704 to 0.883 after eliminating several items with loadings less than 0.70. Discriminant validity was established using the Fornell–Larcker criterion, with the square roots of AVEs exceeding the inter-construct correlations. The HTMT values were also below the conservative threshold of 0.90, further confirming discriminant validity. All measurement model evaluation results are summarized in the following table.

Table 2. Measurement Model Evaluation

Construct	Item	Loadings	AVE	CR	Cr. Alpha
Organizational Culture (OCult)	2	0.704	0.581	0.954	0.949
	3	0.735			
	4	0.742			
	6	0.796			
	9	0.809			
	10	0.742			
	11	0.818			
	12	0.784			
	13	0.812			
	14	0.742			
	15	0.712			
	18	0.787			
Organizational Commitment (OComm)	2	0.737	0.620	0.929	0.912
	3	0.750			
	4	0.819			
	5	0.777			
	6	0.817			
	7	0.833			
	8	0.778			
	9	0.783			

Employee Performance (Perfom)	1	0.718	0.562	0.939	0.929
	2	0.768			
	3	0.794			
	6	0.750			
	8	0.733			
	9	0.758			
	11	0.736			
	12	0.716			
	13	0.792			
	14	0.789			
	16	0.701			
	17	0.730			
Pastoral Leadership (PasLead)	1	0.750	0.679	0.969	0.966
	2	0.817			
	3	0.794			
	4	0.855			
	5	0.834			
	6	0.855			
	7	0.862			
	8	0.883			
	9	0.849			
	10	0.862			
	11	0.757			
	12	0.846			
	13	0.824			
	14	0.755			
15	0.802				

WarpPLS 7.0

Structural Model Evaluation

The structural model results (Figure 1) support all hypothesized relationships: (1) H1, Organizational culture (OCult) had a strong, positive, and significant effect on organizational commitment (OComm) ($\beta = 0.655$, $p < 0.001$). The effect size (f^2) for this relationship was 0.429, indicating a large practical impact; (2) H2, Organizational culture positively influenced employee performance (Perfom) ($\beta = 0.296$, $p < 0.001$), with a medium effect size ($f^2 = 0.193$); (3) H3, Organizational commitment positively affected employee performance ($\beta = 0.468$, $p < 0.001$), showing a large effect size ($f^2 = 0.327$); (4) H4, Pastoral leadership (PasLead) moderated the relationship between organizational culture and employee performance (interaction term $\beta = 0.136$, $p = 0.007$), with a small but meaningful effect size ($f^2 = 0.047$). The R^2 value for organizational commitment was 0.429, indicating that organizational culture explained 42.9% of its variance. For employee performance, the R^2 was 0.473, showing that the combination of organizational culture, organizational commitment, and pastoral leadership explained 47.3% of the variance.

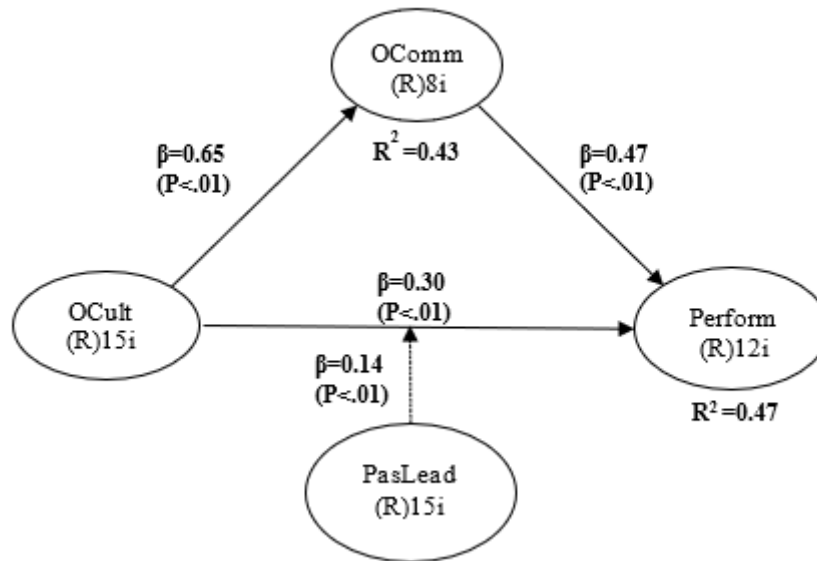


Figure 1. Structural Model

Mediation Analysis

The analysis revealed that organizational commitment partially mediated the relationship between organizational culture and employee performance. The indirect effect was $\beta = 0.306$ ($p < 0.001$), with an effect size (f^2) of 0.200, indicating a medium mediation effect. The total effect of organizational culture on employee performance was $\beta = 0.602$ ($p < 0.001$), confirming that both direct and indirect pathways were significant.

Predictive Relevance

The Q^2 values obtained through blindfolding procedures were 0.431 for organizational commitment and 0.566 for employee performance, both exceeding zero, indicating that the model had substantial predictive relevance for the endogenous constructs.

Discussion

Organizational Culture and Organizational Commitment

The finding that organizational culture significantly and positively influences organizational commitment ($\beta = 0.655$, $p < 0.001$) reinforces the view that a strong, value-driven culture is a critical driver of employee attachment and loyalty. This aligns with (Robbins & Judge, 2013) assertion that culture acts as the “social glue” binding members together through shared meaning. In the cooperative finance sector, particularly in Credit Unions (CUs) of West Kalimantan, cultural elements such as mutual trust, community orientation, and stewardship resonate deeply with employees, strengthening their emotional and moral bonds to the organization. These results are consistent with prior studies Bagis et al. (2020) and Khan et al. (2022) that found cultural alignment enhances affective and normative commitment, which are crucial for retaining talent in mission-driven organizations. The strong effect size ($f^2 = 0.429$) in this study suggests that in CU contexts, culture is not merely a background factor but a central mechanism shaping employees’ psychological contracts. Giao et al. (2020) stated that organizational culture through its dimensions influences organizational commitment in the telecommunications industry in Vietnam. Similarly, research conducted by Nguyen et al. (2023) found that organizational culture with its elements influences high levels of employee commitment in business centers.

Organizational Culture and Employee Performance

Organizational culture also directly predicts employee performance ($\beta = 0.296, p < 0.001$), supporting the argument that cultural values guide behavior toward performance excellence. In cooperative settings, culture translates into consistent service quality, member trust, and operational discipline, all of which contribute to sustainable performance outcomes. However, the moderate effect size ($f^2 = 0.193$) found here suggests that while culture matters, other factors, such as employee motivation, resources, and leadership, play complementary roles in maximizing performance. The results of research conducted by Almasradi et al. (2024) show that a strong and harmonious organizational culture not only increases motivation and satisfaction, but also encourages productivity and innovation in various contexts. Pham et al. (2024) found that a positive organizational culture has an impact on employee performance.

Organizational Commitment and Employee Performance

The strong positive impact of organizational commitment on performance ($\beta = 0.468, p < 0.001$) underscores commitment's role as a proximal driver of discretionary effort and service quality. Employees who feel emotionally attached to their organization are more likely to exhibit persistence, adaptability, and collaborative behavior, particularly in contexts where relational trust with members is central. This aligns with Meyer et al. (2019) models of commitment, as well as with findings from Sahoo et al. (2010), that high commitment enhances both individual productivity and collective organizational outcomes. A study conducted by Susilowati & Azis (2020) found that organizational commitment has a strong positive relationship with employee performance. Research in Vietnamese companies conducted by Loan (2020) supports the positive impact of organizational commitment on job performance.

The Mediating Role of Organizational Commitment

The mediation analysis revealed that organizational commitment partially mediates the culture–performance link (indirect effect $\beta = 0.306, p < 0.001$). This supports the conceptual argument that culture exerts its influence on performance largely by shaping employees' internalized sense of belonging and moral obligation. The medium mediation effect ($f^2 = 0.200$) confirms that commitment is a meaningful transmission mechanism, yet the persistence of a significant direct effect indicates that cultural norms and expectations also influence performance independently. These findings echo Bagis et al. (2020), who reported that commitment channels cultural influence toward performance but is not the sole pathway. Research conducted by Mahmud et al., (2024) highlights the important role of organizational culture in shaping employee attitudes and behavior, with organizational commitment as a key mechanism.

The Moderating Role of Pastoral Leadership

The significant moderation by pastoral leadership ($\beta = 0.136, p = 0.007$) highlights the amplifying effect of value-based leadership styles on the culture–performance relationship. Pastoral leadership emphasizing care, moral guidance, and servant-like stewardship creates an environment where cultural values are actively embodied and reinforced in daily interactions. This aligns with Sutadi & Mulyatno (2009), who noted that pastoral leaders serve as moral compasses and community builders, fostering trust and alignment between organizational values and employee behaviors. Although the moderation effect size ($f^2 = 0.047$) is small, its statistical significance in this context indicates that leadership style can subtly but meaningfully enhance the translation of cultural strength into tangible performance outcomes.

Theoretical Contributions

The study contributes to the organizational behavior literature in three ways. First, it confirms the centrality of organizational commitment as a mediating mechanism between culture and

performance, specifically in cooperative financial institutions in Indonesia a setting underrepresented in existing literature. Second, it extends the leadership literature by empirically demonstrating pastoral leadership's moderating role in a non-religious but values-driven organizational context. Third, it provides empirical support for the moderated mediation model using WarpPLS 7.0, offering methodological insights for future SEM research in similar contexts.

Practical Implications

For CU executives and policymakers in West Kalimantan, the findings suggest several actionable strategies: (1) Strengthening Cultural Alignment – Codifying and communicating cooperative values can reinforce employees' sense of belonging and purpose; (2) Fostering Commitment – Programs that enhance affective and normative commitment, such as participatory decision-making and recognition systems, can drive sustained performance gains; (3) Developing Pastoral Leadership Competencies – Training leaders to embody empathy, moral guidance, and stewardship can magnify the positive effects of culture on performance. Integrating Leadership and Culture in HR Practices – Recruitment, onboarding, and appraisal systems should explicitly link to both cultural values and pastoral leadership principles.

To improve the quality of this article, the authors are encouraged to articulate the study's novelty more explicitly, particularly by clarifying the unique contribution of pastoral leadership in comparison with other leadership styles within organizational literature. The methodological justification should also be strengthened by more clearly explaining the choice of WarpPLS 7.0, the measurement of constructs, and the strategies used to address potential common method bias. In addition, the article would benefit from more context-specific practical implications that directly relate the findings to Credit Union governance and management practices in Indonesia, supported by concrete examples of application. Finally, the discussion section could be enhanced by more critically engaging the empirical findings with contemporary theories of organizational culture, commitment, and leadership, thereby positioning the study as not only confirmatory but also theoretically enriching.

Conclusion

This study investigated the relationships among organizational culture, organizational commitment, employee performance, and pastoral leadership in the context of Credit Unions in West Kalimantan, Indonesia. Using WarpPLS 7.0 and data from 317 employees, the results demonstrated that all hypothesized relationships were positive and significant. Organizational culture emerged as a strong predictor of organizational commitment and a moderate predictor of employee performance. Organizational commitment itself significantly enhanced employee performance, confirming its mediating role in the culture–performance linkage. Furthermore, pastoral leadership was found to moderate the relationship between organizational culture and performance, amplifying the positive effects of cultural strength. These findings collectively highlight that in value-driven and community-oriented organizations like Credit Unions, the combination of a strong organizational culture, high employee commitment, and leadership grounded in pastoral principles can drive sustainable performance. The moderated mediation model tested here provides both theoretical and practical contributions, especially in the underexplored context of cooperative financial institutions in Southeast Asia.

Recommendations

Theoretical Recommendations

Expanding Leadership Research in Cooperative Contexts

Future studies should explore other value-based leadership styles such as servant leadership, authentic leadership, and transformational leadership alongside pastoral leadership to understand their comparative or complementary effects in cooperative institutions.

Cross-Cultural Validation

Conducting similar research across different regions and cultural settings could help determine whether the relationships observed here are culturally specific or more universally applicable.

Longitudinal Design

Employing longitudinal research designs would allow for better assessment of causal direction and the stability of relationships over time, especially in organizations undergoing cultural transformation.

Practical Recommendations

Institutionalize Cultural Values

Credit Union leaders should integrate core cultural values into all aspects of operations, from recruitment and onboarding to performance evaluation, ensuring alignment between institutional mission and employee behavior.

Enhance Organizational Commitment

Strategies such as participatory governance, transparent communication, and member-centered incentives can strengthen employees' affective and normative commitment, leading to sustained performance improvements.

Develop Pastoral Leadership Competencies

Leadership development programs should incorporate training in empathy, moral decision-making, and stewardship to reinforce cultural values and build trust within teams.

Integrate Leadership and Culture into HR Systems

Human resource policies should explicitly connect performance management systems with both cultural values and leadership expectations, ensuring that daily practices reflect the organization's mission and moral ethos.

Limitations and Future Research Directions

While the study offers valuable insights, several limitations should be noted. First, the cross-sectional design restricts the ability to draw definitive causal inferences. Second, the study focused exclusively on Credit Unions in West Kalimantan, which may limit generalizability to other contexts. Third, reliance on self-reported data may introduce common method bias, despite statistical checks and procedural remedies. Future research could address these limitations by adopting longitudinal or mixed-methods approaches, expanding the scope to other cooperative sectors, and incorporating objective performance indicators. Additionally, exploring the role of digital transformation and technology adoption as moderating or mediating variables could enrich the understanding of performance drivers in modern cooperative settings.

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