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Organizational Culture and Employee Performance: An Empirical Study of Islamic Banks in Indonesia*

Sopiah SOPIAH¹, Mahirah KAMALUDIN², Etta Mamang SANGADJI³, Bagus Shandy NARMADITYA⁴

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Abstract

The purpose of this study is to examine the impact of organizational culture and employee performance on Islamic banks in Indonesia, as well as understanding the mediating role of organizational leadership commitment on job satisfaction. This study applied a quantitative method using path analysis to understand the relationship between variables and the existing phenomenon. A survey method was used in gathering approximately 600 respondents from employees in several Islamic banks in Indonesia, including Bank Muamalat, BTN Syariah, Bank Mandiri Syariah, BRI Syariah, and BNI Syariah, who have worked for more than three years. Furthermore, the data were analyzed with Structural Equation Modeling PLS. The findings indicate that organizational culture can explain job satisfaction, organizational leadership commitment, and employee performance. These results suggest that organizational leadership commitment and job satisfaction play a crucial role in mediating corporate culture and employee performance of Islamic banks. The finding of this research should entice decision-makers in Islamic banks in Indonesia, especially in East Java, to pay more attention to maintaining and improving organizational culture that has strong organizational leadership commitment and employees' job satisfaction. This study's results are also expected to contribute to the development of human resources management science and organizational behavior.

Keywords: Employee Performance, Job Performance, Organizational Culture, Organizational Leadership Commitment

JEL Classification Code: D23, G21, M54, O32, G15

1. Introduction

The Islamic banking industry has noted a positive trend in Indonesia in the last two decades. The underlying factor is the enactment of Act No. 10/1998 on banking affairs, which provides permission to open a new Islamic bank or allows a

conventional bank to establish a sharia business unit. The data from the Financial Services Authority (2018) showed that the growth of sharia banks' market share is 18.17 percent in 2014, rising slightly in 2016 and rocketing to 29.65 percent in 2018. In the macroeconomic context, more exceptional bank performance contributes to economic development and economic growth (Ferreira, 2016).

With the largest Muslim population in Indonesia, it raises an excellent opportunity for banking industries to achieve the company goals and contributes to the nation's welfare. In fact, since the increasing number of Islamic banks in Indonesia, banks must have strategies in accomplishing a competitive advantage. Human resources are associated with the success and failure of an organization or company (Safkaur & Sagrim, 2019). However, the quality of human resources is the primary issue in Indonesia, potentially leading to a vulnerability of organizational performance (Rusydia & Al-Parisi, 2016). Additionally, Auliyah and Basuki (2021) noted that sharia bank's performance assessment in Indonesia is less oriented to the developing capacity of employees. In short, sharia banks in Indonesia have an opportunity on the demand side, but face challenges

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¹First Author and Corresponding Author. Faculty of Economics, Universitas Negeri Malang, Indonesia [Postal Address: Jalan Semarang 5 Malang, 65145, Indonesia] Email: sopiah.fe@um.ac.id

²Faculty of Business, Economics, and Social Development, Universiti Malaysia Terengganu, Malaysia. Email: mahirah.k@umt.edu.my

³Economic Education Program, Universitas PGRI Wiranegara Pasuruan, Indonesia. Email: sangadji_23@yahoo.com

⁴Faculty of Economics, Universitas Negeri Malang, Indonesia. Email: bagus.shandy.fe@um.ac.id

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in the supply side in terms of low-quality performance of sharia bank employees.

The employee' performance is linked with several determinant factors (e.g., organizational culture, leadership, work satisfaction). Employee performance is characterized by work quality in completing every job given by the leader promptly and can achieve every target set by the company. Indeed, previous studies demonstrated a robust influence of organizational culture on employee performance (Sivakami & Samitha, 2018). A propitious organizational culture can guide the organization's work and deliver the entire organization the goals sought after (Saad & Abbas, 2018). In essence, each organization has a different culture that influences motivation and employees' behavior. The higher the level of employee acceptance of the organization's values, the more significant commitment to values and organizational culture (Paais & Pattiruhu, 2020).

As highlighted in Chen et al. (2014), leadership can affect employee performance. In particular, a committed leader who complies with the needs and desires of the employee will trigger employee commitment. Having a great commitment from workers potentially increases their motivation and performance. Similarly, previous studies by Oh and Chua (2018); Torlak and Kuzey (2019) showed a positive correlation between leadership and employee performance. Indeed, Ghani et al. (2016) remarked that the leader personality has an acquaintance with their subordinates. Furthermore, leader commitment is confirmed in driving employee performance (Zehir & Narcikara, 2016).

On the other hand, in the psychological, organizational theory, job satisfaction is also considered as a variable affecting employee performance. In fact, employee who has high satisfaction is more likely to promote excellent performance. Work satisfaction is a representation of employees' attitudes and assessments of the work and fulfillment of expectations. Siengthai and Pila-Ngarm (2016) demonstrated a positive relationship between job satisfaction and employee performance. It implies that the more satisfied employee will drive to better work performance and achievement and vice versa, where job satisfaction is a positive emotion that comes from the assessment of one's work or experience. Indeed, Dong and Phuong (2018) remarked that employee with high job satisfaction would improve their performance toward the organization where they work.

Despite the escalating studies on sharia banking, however, the internal factors such as employee performance in a banking organization are under-examined. Most scholars have explored a comparison between conventional and Islamic banks in general (Caporale et al., 2019; Chaffai, 2019). Other studies, for instance, Rashid et al. (2020); Rizvi et al. (2019) focused on the role of Islamic banking, while Azad et al. (2019) are concerned with the determinant factors of Islamic banking profitability. Also, Hassan et al.

(2019) performed an assessment of Islamic banking performance, while Islam and Rahman (2017); Rasheed et al. (2018) conducted a study on the individual's awareness toward Islamic banking.

Islamic banking has been investigated in many countries. For example, Ibrahim et al. (2019); Solarin et al. (2018) conducted studies on the efficiency of Islamic banking in Malaysia, while Riaz et al. (2017) assessed the perception on Islamic banking in the United Kingdom. Other works look at Islamic banking in Pakistan (Aziz & Afaq, 2018; Butt et al., 2018), Tunisia (Echchabi et al., 2016), the United Arab Emirates (Aliyu et al., 2017). In Indonesia's context, most scholars focused on attributes of Islamic banking (Wu et al., 2019), sharia index Indonesian Islamic banks (Widarjono, 2018), Indonesian Islamic banking industry (Al Arif & Awwaliyah, 2019) and the market power of Islamic banks in Indonesia (Risfandy et al., 2019).

This study makes three primary contributions. First, it contributes to the existing literature on Islamic banking studies by focusing on employee performance and its determinant factors, which are under-examined by scholars. Second, the survey of Islamic banking is carried out mainly in a few countries; however, little attention is placed on Indonesia. Indonesia is unique due to the fact that it has the largest Muslim population and the largest development of Islamic banking. Third, this study provides new insights into the critical role of leadership commitment and work satisfaction in explaining the employee performance of Islamic banking, marginalized in prior studies.

The paper begins with the introduction; then, it reviews the literature review then methods. The fourth section presents the findings and discussion, followed by the conclusion, and study implication in the last chapter.

2. Literature Review

Nikpour (2017) defined organizational leadership commitment as a concept that has three dimensions, namely, affective, sustainable, and normative commitments. Additionally, Lau et al. (2017) mentioned that organizational commitment means strong acceptance in an individual. There are accomplishments and merit of the organization so that the individual will work and have a robust impulse to survive in the organization. The correspondence between leadership commitment and organizational culture is believed to be a crucial factor in the organization's success. Positive or negative behavior can be explained as a commitment to support an organization (Yaseen et al., 2017). Organizational leaders can affect attitude by creating regulatory systems and processes that appropriate with an individual, group, and corporate needs. Prior studies by Nikpour (2017); Pawirosumarto et al. (2017); Ghani et al. (2016) mentioned that organizational culture positively impacts organizational leadership commitment.

H1: Organization culture positively influences leadership's organizational commitment.

According to Supriadi and Pheng (2018), organizational culture is defined as norms, values, and shared understanding of members of several organizations that support tight control at the top. Sharma (2016) found that such organizational culture as innovative organizational affect employee job satisfaction. Despite the lack of studies that examine the impact of cultural dimension and job satisfaction, Wang et al. (2019) pointed out that job satisfaction is determined by management, output-oriented, and professionalism. Indeed, Boamah et al. (2018) revealed that recognition and respectful attitudes among employee and leader have a positive effect on job satisfaction. In particular, Wright and Bonnet (2007) suggested several dimensions of job satisfaction, including job itself, salary, promotion, supervision, responsibility, co-worker, and recognition. A prior study noted that job satisfaction could be determined by organizational commitment (Demirtas et al., 2017).

H2: Organization culture positively influences job satisfaction.

H3: Organizational commitment positively influences job satisfaction.

The success of an organization is inseparable from the existing resources of its organization, including human resources. Producing an excellent performance in the organization depends on the employees who move to fulfill the goals of the organization. Ribeiro et al. (2018) state that there are four dimensions in measuring employee performance, namely, quality of work, contribution, work knowledge, and attendance. With differences in an organizational culture that are strong or positive can support employees in improving their performance; on the contrary, a weak or negative organizational culture can conflict with the goals of the organization or company. Some previous studies prove that job satisfaction affects employee performance (Gangai & Agrawal, 2019; Eliyana & Ma'arif, 2019). In addition to organizational culture factors, organizational leadership commitment plays an essential role in realizing excellent employee performance. Morrow et al. (1988) mentioned that organizational commitment is built when each individual develops three interrelated attitudes towards the organization. There are four approaches, namely, goals identification, job involvement, social work, and feelings of loyalty. The causality between organizational culture and employee performance was confirmed by Hogan and Coote (2014); Pawirosumato et al. (2017).

H4: Organization culture positively influences employee performance.

H5: Leadership organizational commitment positively influences employee performance.

On the other hand, job satisfaction is considered a factor affecting employee performance and plays a crucial role in motivating the employee. Numerous studies pointed out a substantial impact on job satisfaction and employee performance. For instance, Marta et al. (2021) mentioned that job satisfaction positively influences organizational commitment and worker accomplishment. Antoncic and Antoncic (2011) explained that job satisfaction could be determined by factors such as employee engagement, remuneration, organizational culture, and loyalty.

H6: Job satisfaction positively influences employee performance.

In addition, several studies mentioned that leadership organizational commitment culture does not only have an impact on employee performance, but also is considered a moderating variable in strengthening the effect of organizational culture and worker performance. The organizational culture can lead an organizational policy toward employees and customers. The absence of organizational leadership commitment will drive to organizational failure. This is reasonable due to the crucial role of leadership as a figure that can influence the subordinates. Meanwhile, the presence of leaders who are committed to the organization's vision, mission, strategy, and policies will be conveyed to employees and customers effectively and efficiently. Dwinfour et al. (2017) have confirmed the crucial role of organizational leadership culture. Meanwhile, Hardiyono et al. (2017); Putriana et al. (2015) showed the significant role of job satisfaction in moderating organizational culture and employee performance. This implies that organizational culture could be strengthened and ensures employees work according to corporate culture, giving rewards according to employee contributions. Adequate socialization will result in employee job satisfaction, thus, reducing the pressure and desire of employees to leave the work.

H7: Organizational culture affects positively employee performance through leader's organizational commitment.

H8: Organizational culture affects positively employee performance through employee's job satisfaction.

3. Research Methods and Materials

3.1. Research Design

This study applied a quantitative method using path analysis. This method is particularly useful in understanding the relationship among variables and assessing the role of moderating variables. This study involves significant



Figure 1: The Framework of the Research

variables, including organizational culture, organizational leadership commitment, job satisfaction, and Islamic bank’s employee performance in Indonesia. The detail of the framework of the study is provided in Figure 1.

3.2. Population and Sample

The population of this study was employees of Islamic commercial banks in East Java, Indonesia, including Bank Muamalat, BTN Syariah, Bank Mandiri Syariah, BRI Syariah, BNI Syariah, who have worked for more than three years so that they are cognizant of the organizational culture and organizational commitment of the leadership. Meanwhile, the sampling method used was an adapted multi-stage approach. The first stage is to determine the sample area, which determined purposively six regions, namely, Malang, Pasuruan, Tulungagung, Blitar, Probolinggo, and Kediri. A total of 640 questionnaires were returned, and after eliminating 40 forms with missing data, 600 responses from participants can be used for further data analysis. From the sample collected, the majority of respondents were males (58%); 37% were aged 26–30 years; 34% has been working for 5–10 years; the majority (59%) had an undergraduate education; and 46% were working in marketing.

3.3. Instruments and Data Analysis

In order to estimate the organizational culture, we adapted 24 items from Ricardo and Jolly (1997); Xenikou and Furnham (1996), while to understand organizational leadership commitment, we borrow seven questions from Meyer, Allen, and Smith (1993). Additionally, 11 questions from Smerek and Peterson (2007) were adapted to measure job satisfaction, and nine questions from Bernardin and Russel (2003); Anitha (2014) were used to estimate employee performance. Furthermore, the data were analyzed using the Structural Equation Modeling PLS analysis technique undergoing Smart PLS version 3.2.7.

Table 1: The Result of Discriminant Validity

Construct of Variables	AVE	EP	JS	LOC	OC
Islamic Bank Employee Performance	0.563	0.751			
Job Satisfaction	0.548	0.707	0.740		
Leadership’s Organizational Commitment	0.548	0.429	0.451	0.740	
Organizational Culture	0.519	0.419	0.338	0.441	0.721

Note: The coefficients in the diagonal section are the roots of AVE; The coefficient outside the diagonal is the correlation coefficient between constructs; AVE: Average Variance Extracted; EP: Employee performance; JS: Job satisfaction; LOC: Leadership organizational commitment; OC: Organizational culture.

4. Results and Discussion

4.1. The Validity and Reliability Test of the Instruments

The results of the validity and reliability test of the instruments were conducted (Table 1). From the table, it can be seen that the correlation coefficient magnitude of the construct of employee performance and other constructs is about 0.419–0.707, which means that this analysis shows good discriminant validity.

Table 2 shows the composite of reliability results. From the table, it can be seen that the score of Cronbach’s Alpha is ranging from 0.885 to 0.914, while the composite reliability is 0.893 to 0.922. Therefore, the decision made for this result is reliable due to all score is more than 0.7.

Table 2: Composite Reliability Result

Construct of Variables	Cronbach's Alpha	Composite Reliability	Decision
Employee Performance	0.885	0.910	Reliable
Job Satisfaction	0.905	0.922	Reliable
Leadership's Organizational Commitment	0.857	0.893	Reliable
Organizational Culture	0.914	0.928	Reliable

4.2. Descriptive Analysis

Organizational culture was measured with 16 indicators. In general, the average score of items on all indicators ranging from 2.059 to 4.828 gives an illustration that employees have not fully valued the organizational culture. Among the indicators considered lacking are people-orientation and aggressiveness (see Table 3). Additionally, seven indicators explain organizational leadership commitment. Overall, the average score of items on all indicators ranges from 4.112 to 4.726. It implies that the organizational commitment of leaders in Islamic banks is all perceived good by employees. Among the indicators, the highest indicator is *Tabligh*, while the lowest score is *Sidiq* and ongoing commitment. From the description of job satisfaction indicators, in general, the highest value of job satisfaction is proxied in three indicators: supervision, work itself, and responsibility, while the lowest point is from the perspective of recognition. From Table 3, indicators of interpersonal relationships are part of job satisfaction, which is considered very high. Descriptions of interpersonal relationships are explained through direct assistance from colleagues when needed to finish work on time, no difficulties in cooperating with colleagues are found. Lastly, the description of Islamic bank employee performance notes that the average score of items on all indicators ranging from 3.951 to 4.445, which implies that employees already feel they have high performance. Among the indicators of employee performance that are considered very high, including self-ability to achieve goals and knowledge of company products and competitors.

4.3. Hypothesis Testing

4.3.1. Model Compatibility

The structural model compatibility in the inner model used the goodness of fit (GoF) value to measure how the model is produced. Table 4 provides information about the

Table 3: Description of Each Indicator

Indicator	Minimum	Maximum	Mean
Organizational Culture			
Risk tolerance	3.8	5.0	4.373
Attention to detail	3.4	5.0	4.198
Outcome orientation	2.6	4.0	3.529
People orientation	1.5	2.5	2.059
Team orientation	4.0	5.0	4.828
Aggressiveness	1.9	2.9	2.529
Stability	3.4	5.0	4.211
Communication pattern	4.0	5.0	4.419
Training and development	3.3	5.0	4.193
Reward system	2.4	5.0	4.272
Decision-making	3.8	5.0	4.461
Motivation to work	3.8	5.0	4.350
Sincerity	3.4	5.0	4.276
Egalitarian spirit	3.8	5.0	4.543
Orderly in performing worship	3.6	5.0	4.523
Management support	3.6	5.0	4.514
Leadership Organizational Commitment			
<i>Sidiq</i>	3.2	5.0	4.112
<i>Amanah</i>	3.8	5.0	4.464
<i>Fathonah</i>	3.6	5.0	4.411
<i>Tabligh</i>	4.0	5.0	4.726
Affective Commitment	3.5	5.0	4.371
Ongoing Commitment	3.2	5.0	4.158
Normative Commitment	3.4	5.0	4.379
Job Satisfaction			
The work itself	3.8	5.0	4.445
Salary	3.4	5.0	4.437
Supervision	3.8	5.0	4.543
Interpersonal relationships	3.6	5.0	4.514
Opportunity to develop	3.0	5.0	4.306
Organization policy / administration	3.4	5.0	4.251
Working conditions	3.6	5.0	4.523

Table 3: (Continued)

Indicator	Minimum	Maximum	Mean
Job performance	3.3	5.0	4.242
Responsibility	3.8	5.0	4.384
Recognition	2.8	5.0	4.135
Job security	3.0	5.0	4.292
Employee Performance			
Time management	3.3	5.0	4.242
Innovative behavior	3.8	5.0	4.384
Taking initiative	3.0	5.0	4.306
Level of self-potential	2.8	5.0	4.135
Self-ability to achieve goals	3.8	5.0	4.445
Achieving the quantity of work	3.6	4.4	4.061
Achieving quality work	3.8	5.0	4.383
Knowledge of company products and competitors	3.3	5.0	4.408
Relationships with colleagues and leaders	3.3	4.4	3.951

Table 4: Goodness of Fit Index (GoF)

Variable	Communality	R ²
Employee Performance	0.563	0.541
Job Satisfaction	0.548	0.227
Leadership Organizational Commitment	0.548	0.195
Organizational Culture	0.519	–
Total	2.178	0.963
Mean	0.545	0.321
Index (GoF)	0.418	

Note: The value of communality is taken from the value of AVE.

r-square measurement (R²). The R² value for the employee performance is about 0.541, which means that variations in employee performance explained by organizational culture, organizational leadership commitment, and job satisfaction amounted to 54.1 percent, and other variables account for the rest. Additionally, the score of r-square for the variable of job satisfaction and organizational leadership commitment is about 0.227 and 0.195, respectively. Hair Jr et al. (2014) noted that, in general, the coefficient of determination is

Table 5: Correlation Matrix Between Variables

Construct	EP	JS	LOC	OC
Employee Performance	0.751			
Job Satisfaction	0.707	0.740	0.375	
Leadership Organizational Commitment	0.429	0.451	0.740	
Organizational Culture	0.419	0.338	0.441	0.721

Note: EP: employee performance; JS: job satisfaction; LOC: leadership organizational commitment; OC: organizational culture

insufficient if it is 0.20 or less, while the results of this model mean the coefficient of determination is 0.32 (more than 0.20). Therefore, based on these results, the suitability of the model is quite good. Calculating model compatibility can be done with the following formula:

$$R_m^2 = 1 - (1 - R_{12})(1 - R_{22})(1 - R_{32})$$

$$R_m^2 = 1 - (1 - 0.195)(1 - 0.227)(1 - 0.541)$$

$$R_m^2 = 1 - 0.286$$

$$R_m^2 = 0.714$$

The calculation result shows that the inner R_m² score is 0.714, which implies that this research model has high model compatibility. The accuracy of the model of 71.4 percent, explains that this model can disclose the structural correlation of the four variables studied was 71.4 percent and the rest is explained by other variables not engaged in the model.

Model compatibility could be determined to undergo goodness of fit index (see Table 4). Based on the GoF index, it illustrates that the predictive power of the overall model. GoF values have intervals between 0 and 1. GoF values close to 1 at least 0.33 indicate a reasonable estimation of the path model (Akter et al., 2011). The GoF index for this research model is 0.418. Thus, the structural model that explains the relationship between the five variables has good predictive power (fit).

4.3.2. Latent Variable Correlation Matrix

Table 5 shows the correlation matrix between variables. From the table, it can be seen that the four variables have a score ranging from 0.338 to 0.751. The correlation coefficient among variables is most significant because of the critical value of the sample size of 600 being 0.158. The correlation coefficient between organizational culture, organizational leadership commitment, and job satisfaction on employee performance was 0.419, 0.429, and 0.707, respectively. Employee performance is more likely to be

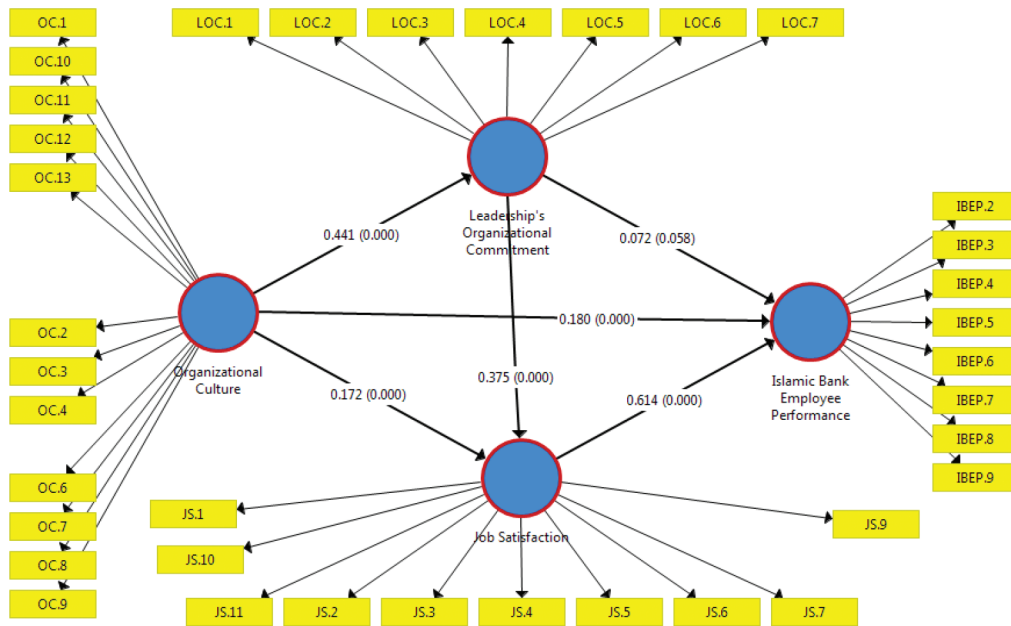


Figure 2: Structural Model

Table 6: Test Results for the Path Coefficient on the Inner Model

Correlation	Path Coefficient	Std. Error	T - statistic	P	Decision
OC → LOC	0.441	0.032	13.997	0.000	Accepted
OC → JS	0.172	0.040	4.307	0.000	Accepted
LOC → JS	0.375	0.040	9.470	0.000	Accepted
OC → EP	0.180	0.033	5.384	0.000	Accepted
LOC → EP	0.072	0.038	1.902	0.048	Accepted
JS → EP	0.614	0.038	16.089	0.000	Accepted

Note: ns: $p > 0.05$; * $p < 0.05$; employee performance; JS: job satisfaction; LOC: leadership organizational commitment; OC: organizational culture.

better when supported by organizational culture, leadership commitment and excellent job satisfaction.

In the hypothetical model, the leadership’s organizational commitment and job satisfaction act as mediators in the relationship of organizational culture to employee performance. The correlation coefficient of organizational culture on organizational leadership commitment and job satisfaction is 0.441 and 0.338.

4.4. Structural Model Testing (Inner Model)

In this hypothetical model (Figure 2), the path coefficient test results (Table 6) that pass through organizational leadership commitment and job satisfaction to employee performance is impressive

because it is specifically strongly related to the notion that organizational leadership commitment and job satisfaction as mediating variables. The path coefficient on the direct relationship of corporate culture to organizational leadership commitment and job satisfaction are respectively 0.441 and 0.172, lower than the ratio of job satisfaction on employee performance (0.614). This can be explained because the correlation on employee performance from job satisfaction is the strongest (see Table 6).

Based on Figure 2 and Table 6, it can be concluded that all hypotheses proposed are accepted. Partially, organizational culture, organizational leadership commitment, and job satisfaction can influence employee performance. Additionally, organizational culture and organizational leadership commitment can influence job satisfaction.

4.5. The Results of Mediation Test

In the hypothetical model, the variables of organizational leadership and job satisfaction are mediating variables for organizational culture on Islamic bank employees. Six pathways are displaying direct effects, and two pathways are displaying indirect effects (Table 7).

From Table 7, it can be concluded that the calculation results show that the indirect effect of 0.32 ($p < 0.05$) is significant, meaning that the leadership's organizational commitment mediates the impact of organizational culture on employee performance. Also, the calculation results show that the indirect effect of 0.106 ($p < 0.05$) is significant, meaning that job satisfaction mediates the influence of organizational culture on the performance of employees of Islamic banks.

4.6. Discussion

The first hypothesis in this study aims to examine the relationship between organizational culture and organizational leadership commitment. This finding is an agreement with antecedent studies by Mitić et al. (2016); Paaís and Pattiruhu (2020) that proves that organizational culture has a positive and significant effect on organizational commitment. This finding suggests that the leadership commitment to the organization will undoubtedly be followed by employee commitment due to the fact that the leader is a role model for employees. It implies that even a robust organizational culture will not be conveyed to all components of the organization, including employees effectively and efficiently if there is no role of a leader who is committed to the organization.

Second, the results of this study prove that organizational culture has a significant positive effect on job satisfaction. Indeed, these findings are in line with prior studies by Stephen and Stephen (2016); Wang et al. (2019). Additionally, Sharma (2017) found that such organizational culture as innovative organizational affects employee job satisfaction. Despite the lack of studies that examine the impact of cultural dimension and job satisfaction, Dong and Phuang (2018) pointed out that job satisfaction is determined by management, output-

oriented, and professionalism. Indeed, Boamah et al. (2018) revealed that recognition and respectful attitudes among employee and leader has a positive effect on job satisfaction.

This third hypothesis aimed to assess the importance of organizational culture and employee performance. This finding agrees with previous works by Stephen and Stephen (2016); Raza et al. (2015), which confirmed the impact of organizational culture on employee performance. A robust organizational culture has a more significant effect on the way of thinking, behaving, and acting of employees. Besides, the core values of an organization are believed, deeply held, and widely shared, even passed down from one generation to the next. Furthermore, it suggests that organizational culture will have a tremendous influence on the behavior.

Fourth, this study confirms a positive relationship between job satisfaction and Islamic banking's employee performance. This finding is consistent with Nugroho et al. (2018); Raza et al. 2015; Gangai and Agrawal (2015); Eliyana and Ma'arif (2019), which revealed that job satisfaction strongly affects employee performance. Satisfaction and performance are like two currencies, between the two are equally important. Satisfied employees will have extra energy to complete their work assignments. Employees who work optimally, doing more than what is required to work will undoubtedly produce the best performance and lead to high performance.

The next hypothesis posits that there is a positive impact between organizational leadership commitment and Islamic banking performance. Consistent with Srivastava and Srivastava (2014); Khan et al. (2010); Raza et al. (2015); Ahmad et al. (2014), the leadership performance commitment will deliver high-performance employees. Leaders who are committed to the organization will be an inspiration and motivate employees. Leaders can be role models. Such leadership will make employees grow and develop; they are personal and professional.

In addition, the finding of this study confirms that the leadership's organizational commitment has a significant positive effect on employee job satisfaction. This finding agrees with Adekola (2012), who examined the level of commitment and job satisfaction of lecturers at public and private universities in Nigeria. The study concluded that there were differences in organizational commitment and job satisfaction between lecturers in both private and state universities. This finding is also in agreement with Eliyana and Ma'arif (2019); Demirtaz (2015). The commitment of the leadership to the organization includes pride, loyalty, progress, and leadership loyalty to the organization. Leaders who are committed to the organization will have an impact on employee job satisfaction. Employees will be satisfied if their needs and desires are met, both intrinsically and extrinsically. Furthermore, leaders who are committed to the organization can realize employee job satisfaction.

Table 7: Test Results for Indirect Effects

Correlation	Indirect Effect	Standard Error	T-Statistic	P
OC → LOC → EP		0.017	1.864	0.043
OC → JS → EP	0.102	0.015	6.565	0.000

Note: ns: $p > 0.05$; * $p < 0.05$; employee performance; JS: job satisfaction; LOC: leadership organizational commitment; OC: organizational culture.

This study also provides an insight into the role of organizational leadership commitment significantly in mediating the influence of organizational culture on Islamic banking performance. Indeed, this finding supports Setiawati et al. (2019); Inanlou and Ahn (2017). Organizational culture can affect performance, but it will be more effective and efficient if mediated by the organization's leadership commitment. The role of committed leaders will strengthen the influence of organizational culture on employee performance. Leaders will set an example, leaders will motivate, leaders will facilitate, even leaders will provide opportunities for employees to perform at a high level. Not all employees can grow and develop their personal and professional, even many employees who need help, motivation, support from leaders and colleagues.

The last finding showed that job satisfaction successfully mediates the impact of organizational culture on Islamic banking performance. The results of this study are in line with Widarsih et al. (2015); Andyanto et al. (2018); Putriana et al. (2015) that proved job satisfaction mediates the influence of organizational culture on employee performance. An influential culture will affect employee performance, but employees who are satisfied with their work will strengthen the organizational culture's impact on employee performance. Satisfied employees will work on their initiative, work with sincerity, work with pleasure. The impact is higher performance compared to employees who are not confident with their work.

5. Conclusion

This study aims at investigating the impact of organizational culture and employee performance of Islamic banking in Indonesia and understanding the mediating role of organizational leadership commitment on job satisfaction. The findings indicate that the culture of Islamic banks is perceived strongly. Additionally, organizational leadership commitment, job satisfaction, and employee performance are categorized as high. This study shows that organizational culture positively impacts Islamic banks' performance both directly and indirectly through organizational commitment and job satisfaction. This study found a crucial role of organizational commitment and job satisfaction in explaining Islamic banking performance. Some of the limitations of this study are that this research is based on Islamic commercial bank employees. In contrast, Islamic banking covers Islamic commercial banks, sharia business units, and sharia people's credit banks. These limitations are not an issue for statistical generalizations, but may impact analytical generalizations.

This study proves that the performance of Islamic bank employees is influenced by organizational culture, organizational leadership commitment, and employee job satisfaction. The finding is expected to entice

decision-makers in Islamic banks in Indonesia, especially in East Java, to pay more attention to maintaining and improving organizational culture that has strong organizational leadership commitment and employee job satisfaction. The results of this study are also expected to contribute to the development of human resources management science and organizational behavior.

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