

Transformational Leadership, Organizational Culture, and Religious Values Impact on Employee Performance

Transformational Leadership, Culture, and Performance

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ABSTRACT

The hospitality industry in Sumedang faces challenges such as low hotel occupancy and declining restaurant revenues, highlighting the need for effective leadership and a strong organizational culture to improve employee performance. This study aims to examine the influence of transformational leadership on employee performance through organizational culture, with religious values as a moderating factor. A quantitative approach was employed, collecting data from 115 supervisory and managerial employees using a five-point Likert scale questionnaire. Purposive sampling ensured participants were permanent employees with at least one year of experience. Data were analyzed using structural equation modeling (SEM) via SmartPLS. The results indicate that transformational leadership positively shapes organizational culture, which in turn enhances employee performance. Moreover, religious values strengthen the relationship between organizational culture and performance by fostering ethical behavior. In conclusion, promoting transformational leadership and a supportive organizational culture, aligned with religious values, can effectively enhance employee performance and provide practical strategies for improving service quality in Sumedang's hospitality sector.

Keywords: Employee Performance, Hospitality Industry, Leadership Transformational, Organizational Culture, Religious Values.

ABSTRAK

Industri perhotelan di Sumedang menghadapi tantangan seperti rendahnya tingkat hunian hotel dan penurunan pendapatan restoran, sehingga diperlukan kepemimpinan yang efektif dan budaya organisasi yang kuat untuk meningkatkan kinerja karyawan. Penelitian ini bertujuan untuk mengkaji pengaruh kepemimpinan transformasional terhadap kinerja karyawan melalui budaya organisasi, dengan nilai-nilai religius sebagai faktor moderasi. Pendekatan kuantitatif digunakan dengan pengumpulan data dari 115 karyawan supervisi dan manajerial melalui kuesioner skala Likert lima poin. Sampel dipilih secara purposive dengan kriteria karyawan tetap dan memiliki pengalaman kerja minimal satu tahun. Analisis data dilakukan menggunakan structural equation modeling (SEM) melalui perangkat lunak SmartPLS. Hasil penelitian menunjukkan bahwa kepemimpinan transformasional membentuk budaya organisasi yang positif, yang selanjutnya meningkatkan kinerja karyawan. Selain itu, nilai-nilai religius memperkuat hubungan antara budaya organisasi dan kinerja melalui peningkatan perilaku etis. Kesimpulannya, penerapan kepemimpinan transformasional dan budaya organisasi yang mendukung, yang selaras dengan nilai-nilai religius, dapat meningkatkan kinerja karyawan dan memberikan strategi praktis untuk meningkatkan kualitas layanan di sektor perhotelan Sumedang.

Kata kunci: Kinerja Karyawan, Industri Perhotelan, Kepemimpinan Transformasional, Budaya Organisasi, Nilai-nilai Keagamaan.

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INTRODUCTION

As globalization intensifies and competitive pressures escalate, organizations face growing demands to improve both efficiency and overall effectiveness in their operations (Idrus et al., 2023). Leaders must develop strategies that go beyond simply meeting goals, focusing instead on creating a cohesive and high-performing workplace (Manurung et al., 2025). Among various leadership styles, transformational leadership has proven effective in driving change and boosting employee productivity. By emphasizing shared purpose, a clear vision, and personal growth, this approach goes beyond traditional management, fostering a workplace with strong commitment (Rivai, 2020). In the hospitality industry, transformational leadership is vital as it inspires employees to deliver exceptional service through motivation and empathy (Tucunan et al., 2014). However, leadership alone cannot achieve the best results without a supportive organizational culture. A strong organizational culture reflects the leader's vision and values, uniting the attitudes and behaviors of all members (Huwae et al., 2023). When these values are embedded, they create harmony between organizational goals and individual actions, forming the basis for consistent and productive behavior in daily operations (Ginting, 2023).

Leadership style and organizational culture significantly impact job satisfaction (Yunarsih, 2017). Specifically, transformational leadership combined with a supportive culture encourages employee creativity and enhances organizational effectiveness (Arfandi et al., 2022). In the hospitality sector, effective leadership and a positive organizational climate lead to better service quality and higher customer satisfaction (Kusuma, 2022). Additionally, in Indonesia's culturally rich context, religious values play a key role in shaping employee behavior and workplace dynamics (Kusumaningtyas, 2016). These values, rooted in moral and ethical principles, guide decision-making and foster a strong work ethic (Parnell & Hatem, 1999). While some studies explore the link between organizational culture and performance, the role of religious values as a moderating factor remains underexplored, particularly in hospitality settings (Rijal, 2019).

In Sumedang Regency's tourism sector, challenges such as low hotel occupancy rates, declining restaurant revenues, and reduced local government tourism budgets highlight the need for stronger intra-organizational strategies (Manurung et al., 2025). According to Kusuma (2022), leadership and culture significantly influence service quality. Yet, few studies examine how religious values moderate these relationships in regions like Sumedang, where cultural and religious traditions are deeply ingrained. Similarly, Yunarsih (2017) notes that transformational leadership shapes organizational culture but does not address the moderating effect of religious values. This research gap underscores the need to investigate how transformational leadership, organizational culture, and religious values interact to enhance employee performance in Sumedang's hospitality industry. The purpose of this study is to examine the mediating role of organizational culture in the relationship between transformational leadership and employee performance, while exploring how religious values moderate this dynamic in the context of Sumedang's hospitality sector.

Empirical studies on the interplay of transformational leadership, organizational culture, and employee performance are numerous. Yunarsih (2017) found that transformational leadership shapes organizational culture, which in turn boosts job satisfaction. Arfandi et al. (2022) showed that both transformational leadership and a strong organizational culture improve performance through innovation. In hospitality, Kusuma (2022) identified a clear link between effective leadership, a value-driven culture, and improved service quality. However, according to Rijal (2019), few studies incorporate religious values as a moderating variable in this context, especially in areas with developing tourism sectors like Sumedang. This study addresses this gap by integrating religious values into the conceptual model, offering insights into how these factors enhance performance in a culturally unique setting. The strength of this research lies in its novel combination of transformational leadership, organizational culture, and religious values, providing context-specific findings for Sumedang's hospitality industry.

By focusing on this region, the study aims to deliver practical strategies for improving employee performance while aligning with local cultural and religious values.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Role of Transformational Leadership on Organizational Culture

Transformational leadership involves inspiring employees to achieve beyond their expectations by fostering a shared vision and encouraging personal growth (Bass & Avolio, 1994). This leadership style includes four key dimensions: idealized influence, where leaders earn trust and respect; inspirational motivation, which creates enthusiasm for shared goals; intellectual stimulation, encouraging creative problem-solving; and individualized consideration, addressing employees' unique needs (Bakhtiar, 2019; Putri et al., 2024). These behaviors shape a positive organizational culture by promoting values like openness and innovation. According to Herminingsih (2011), transformational leadership significantly influences organizational culture by embedding norms that support change and collaboration. In the hospitality sector, transformational leaders foster a culture of service excellence, as they motivate employees to prioritize customer satisfaction (Tucunan et al., 2014). This leadership style encourages employees to embrace organizational values, leading to a cohesive work environment (Bantam et al., 2024). Studies, such as Lukita (2017), show that transformational leadership enhances organizational culture, which in turn boosts employee satisfaction and performance.

For instance, Anshori et al. (2025) found that transformational leadership, corporate culture, and company values significantly influence intrinsic motivation, which in turn enhances employee performance in the hospitality industry. This influence is particularly evident in dynamic industries like hospitality, where leaders must adapt to changing guest expectations (Idrus et al., 2023). Transformational leaders create a culture that values continuous improvement and teamwork, which helps employees feel more connected to organizational goals (Rivai, 2020). For example, a leader who models ethical behavior and encourages open communication can foster a culture of trust, which is critical for service quality. This alignment between leadership and culture strengthens organizational resilience in competitive markets (Manurung et al., 2025). Based on this, the first hypothesis is proposed:

H1: Transformational leadership has a positive influence on organizational culture.

The Role of Organizational Culture on Employee Performance

Organizational culture refers to shared values, norms, and practices that guide employee behavior within an organization (Schein, 2019). A strong culture aligns individual actions with organizational goals, creating a supportive environment that enhances productivity. Riza et al. (2025) emphasize that a positive culture fosters employee commitment and motivation, leading to better performance. According to Wirda and Azra (2012) and Mubarak et al. (2024), organizational culture has a significant positive effect on employee performance in various sectors. In the hospitality industry, a culture that prioritizes teamwork, adaptability, and service quality improves employee efficiency and guest satisfaction (Rachmawati, 2017). Research by Rahayu and Cantika (2022) confirms that a strong organizational culture enhances employee performance in public and private organizations, including hospitality settings. A culture that encourages collaboration and responsiveness helps employees meet high service standards, which is critical in competitive markets.

A positive organizational culture also reduces employee turnover and builds a sense of community, which is vital for consistent performance (Huwae et al., 2023; Lestari et al., 2024). For instance, when employees feel valued and supported, they are more likely to take initiative and deliver high-quality service (Cahyati & Adelia, 2024). In Sumedang's hospitality sector, a culture that emphasizes professionalism and guest-centric values can help address challenges like low occupancy rates (Kusuma, 2022). This supportive environment ensures employees remain motivated and aligned with organizational

objectives, leading to sustained performance improvements. This leads to the second hypothesis:

H2: Organizational culture has a positive influence on employee performance.

Mediating Role of Organizational Culture

Transformational leadership not only directly affects employee performance but also indirectly influences it through organizational culture. A strong culture acts as a bridge, translating leadership vision into tangible employee outcomes (Khoirusmadi, 2011). When leaders inspire and align employees with organizational values, they create a culture that supports high performance. According to Wati et al. (2020) and Suparman et al. (2024), organizational culture mediates the relationship between leadership and employee performance, as it fosters a sense of purpose and commitment. In hospitality, a culture shaped by transformational leadership encourages employees to exceed customer expectations, enhancing overall performance (Fachrurazi et al., 2022). For example, Arfandi et al. (2022) found that organizational culture mediates the impact of transformational leadership on performance by promoting innovation and collaboration. This mediation effect is critical in service industries, where employee behavior directly impacts customer experiences.

A well-crafted organizational culture ensures that the effects of transformational leadership are sustained over time (Thania et al., 2024). For instance, when leaders promote values like adaptability and teamwork, employees are more likely to internalize these values, leading to consistent performance (Yunarsih, 2017). In Sumedang's hospitality context, this mediation is crucial for addressing competitive challenges, as a strong culture aligns employee efforts with organizational goals (Ginting, 2023). This dynamic ensures that leadership initiatives translate into measurable performance outcomes. Therefore, the third hypothesis is proposed:

H3: Organizational culture mediates the influence of transformational leadership on employee performance.

Religious Values as a Moderating Factor

Religious values, such as honesty, responsibility, and integrity, shape employee behavior and workplace ethics, particularly in religious societies like Indonesia (Weaver & Agle, 2002). These values guide decision-making and foster a strong work ethic, influencing how employees internalize organizational culture. According to Churniawati (2021), religious values moderate the relationship between organizational culture and employee outcomes, such as loyalty and performance. In the hospitality sector, religious values can strengthen the impact of a positive culture on employee performance by promoting ethical behavior and dedication (Rijal, 2019). For instance, Dwinastiti (2015) found that Islamic values enhance employee productivity when integrated into organizational culture. In Indonesia, where religion plays a central role, employees with strong religious values are more likely to align with a culture that emphasizes ethical conduct, leading to improved performance (Kusumaningtyas, 2016). This moderating effect is particularly relevant in culturally rich regions like Sumedang, where religious traditions influence workplace dynamics (Parnell & Hatem, 1999). Thus, the fourth hypothesis is proposed:

H4: Religious values moderate the influence of organizational culture on employee performance.

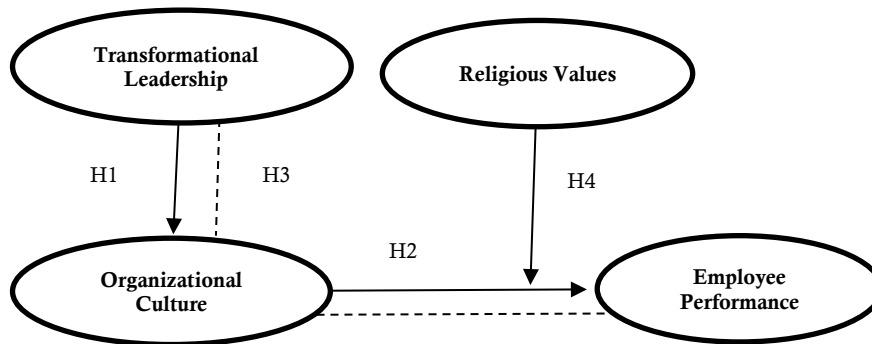


Figure 1. Research Framework

The research framework integrates transformational leadership, organizational culture, employee performance, and religious values to explain their interrelationships in the hospitality sector. Transformational leadership shapes a positive organizational culture, which in turn enhances employee performance (Bass & Avolio, 1994; Virgiawan et al., 2021). Organizational culture acts as a mediator, channeling the influence of leadership into performance outcomes (Wati et al., 2020). Religious values moderate the relationship between organizational culture and employee performance, amplifying the effect in contexts where ethical and moral principles are valued (Churniawati, 2021). According to Thania et al. (2024), this framework is particularly relevant in service-oriented industries like hospitality, where leadership and culture drive performance. The framework, illustrated in Figure 1, visually represents these relationships, showing how transformational leadership influences organizational culture, which mediates its effect on employee performance, with religious values strengthening this connection (Idrus et al., 2023; Manurung et al., 2025). This model provides a comprehensive approach to understanding performance dynamics in Sumedang’s hospitality industry.

RESEARCH METHODS

This study employs an explanatory quantitative design to explore the relationships among transformational leadership, organizational culture, employee performance, and religious values as a moderating factor in the hospitality sector of Sumedang Regency. By collecting numerical data through a structured questionnaire, the research aims to identify direct, mediated, and moderated effects among these variables using statistical techniques. The variables are defined as follows: Transformational leadership refers to a managerial approach that inspires and motivates employees to align with organizational goals, fostering changes in their values and performance. Organizational culture encompasses shared values and norms that influence employee behavior and service quality. Employee performance is measured as the effectiveness of individuals in fulfilling their roles, contributing to organizational objectives. Religious values are defined as ethical and moral principles derived from religious beliefs, evident in workplace behavior.

The population consists of all 439 employees in Sumedang Regency’s hospitality industry, as recorded by the local Department of Tourism, Culture, Youth, and Sports. A purposive sampling method was used, targeting permanent employees with at least one year of experience and supervisory roles to ensure insights reflect leadership perceptions. The sample size is then calculated according to Slovin’s formula, which is articulated in the subsequent systematic exposition:

$$n = \frac{N}{1 + N(e)^2}$$

Description:

- n : Research Sample Size
- N : Research Population
- e : error rate

Using Slovin’s formula, a sample of 115 respondents was determined to be statistically sufficient. This sample size is appropriate for the study’s scope, as it balances representativeness with analytical rigor, particularly for a known population. The purposive criteria ensure respondents have sufficient experience to provide reliable data on leadership and culture dynamics.

Data were collected using a self-administered questionnaire distributed in both digital and hard-copy formats, employing a five-point Likert scale ranging from “Strongly Disagree” (1) to “Strongly Agree” (5). Transformational leadership was measured using Bass and Avolio’s (1994) four-factor model, organizational culture followed Denison’s (2003) framework, religious values were assessed with a modified Glock and Stark (1966) model, and employee performance was evaluated based on Robbins’ (2001) dimensions. To ensure instrument validity, a pilot test was conducted with 30 respondents to assess clarity and reliability, with adjustments made to ambiguous items. Anonymity was maintained to reduce social desirability bias, and data were collected across multiple shifts to capture diverse perspectives. The analysis utilized Partial Least Squares - Structural Equation Modelling (PLS-SEM) via SmartPLS 4 software, chosen for its ability to handle mediation and moderation paths and its suitability for smaller sample sizes.

RESULTS

The current examination utilized SmartPLS to construct both the measurement (outer) model and the structural (inner) model. The outer model underwent scrutiny for both construct validity and reliability, while the inner model focused on evaluating the magnitudes and statistical significance of the associations among latent constructs. Using the PLS algorithm procedure in SmartPLS software, the validity and reliability of the equation model were assessed.

Table 1. Convergent Validity

Indicator	Loading Factor	Information
X1.1	0.797	Valid
X1.2	0.793	Valid
X1.3	0.710	Valid
X1.4	0.806	Valid
Y1.1	0.825	Valid
Y1.2	0.765	Valid
Y1.3	0.808	Valid
Y1.4	0.814	Valid
Y2.1	0.804	Valid
Y2.2	0.810	Valid
Y2.3	0.869	Valid
Y2.4	0.802	Valid
Y3.1	0.851	Valid
Y3.2	0.857	Valid
Y3.3	0.823	Valid
Y3.4	0.803	Valid

Analysis using external load values or load factors, convergent validity was measured. Possible external load values > 0.7 for convergent validity testing. The following values of convergent validity for this study are determined by these definitions. Table 1 shows that all indicators of this assessment factor passed the convergent validity test because their values were greater than the threshold of 0.7.

Several techniques are commonly proposed to evaluate discriminant validity; one straightforward approach involves scrutinizing the Average Variance Extracted (AVE) values. Specifically, a construct is deemed to achieve the AVE criterion when its AVE exceeds the benchmark of 0.5. The pertinent results are summarized in Table 2, which is presented below.

Table 2. Discriminant Validity

Variables	Average Variance Extracted (AVE)
Transformational Leadership (X1)	0.775
Organizational Culture (Y1)	0.824
Religious Values (Y2)	0.803
Employee Performance (Y3)	0.838

Inspection of Table 2 reveals that the latent variables of transformational leadership, organizational culture, religious values, and employee performance each yield AVE values exceeding the 0.5 threshold. Such outcomes indicate that all constructs satisfy the AVE criterion, thereby substantiating the adequate discriminant validity of the measurement model.

Cronbach's alpha is a widely accepted method for assessing the internal consistency reliability of multi-item scales. Conventionally, a threshold of 0.7 is regarded as the minimal acceptable value for ensuring that the items collectively warrant aggregation into a composite measure. The alpha coefficients for the present study, detailed in the following Table 3, confirm compliance with this criterion.

Table 3. Reliability Test

Variables	Cronbach Alpha
Transformational Leadership (X1)	0.835
Organizational Culture (Y1)	0.933
Religious Values (Y2)	0.818
Employee Performance (Y3)	0.915

The findings, as shown in Table 3, reveal that the scales measuring quality of pharmaceutical services, hospital image, patient satisfaction, interest in services, and intention for repeat visits each record values exceeding the 0.7 benchmark. Consequently, the items constituting these constructs can be considered sufficiently consistent for substantive interpretation and further analytical advancement.

The next step involves testing the PLS program model scheme, which includes determining the coefficient (R^2), assessing model fit, and evaluating hypotheses to assess the structural model. To quantify the effects of the independent variables on the dependent construct, the next analytical step involves examining the coefficient of determination, R^2 . The pertinent outcomes of that calculation appear in Table 4.

Table 4. R-Square

Variables	R-Square
Organizational Culture (Y1)	0.168
Employee Performance (Y3)	0.671

The statistic presented in Table 4 indicates that the coefficient of determination (R^2) for the Employee Performance dependent variable (Y3) is 0.671. This suggests that 67.1% of the variance in Employee Performance is elucidated by the combined influence of the Transformational Leadership independent variable, the Organizational Culture independent variable, and the moderator variable of religious values, leaving 32.9% of the variance attributable to extraneous factors not examined in the current analysis.

Similarly, the Organizational Culture dependent variable model yields an R-squared value of 0.168, whereby Transformational Leadership accounts for 16.8% of the variability. Consequently, 83.2% of the variance in Organizational Culture remains unexplained by the variables incorporated in the present study, indicating that other factors not considered here exert a substantial influence.

Q-square quantifies goodness of fit in modeling contexts. Within regression frameworks, this statistic is interpretively equivalent to the coefficient of determination, R-square, such that a rising R-square denotes an increasingly superior model-data concordance. The computation of Q-square follows a specific methodology detailed in the literature:

$$\begin{aligned}
 Q^2 &= 1 - (1 - R12) (1 - R22) \\
 &= 1 - (1-0.671) (1-0.168) \\
 &= 1 - (0.329)(0.832) \\
 &= 1 - 0.273828 \\
 &= 0.726
 \end{aligned}$$

The resulting Q-square value of 0.726, exceeding the threshold of zero, signals robust predictive relevance; this condition affirms that the estimated parameters generated by the model consistently approximate the actual observational measurements. The proximity of the Q-square to the value of unity further corroborates the adequacy of the structural model in capturing the underlying data-generating process.

The analysis employed a bootstrapping approach to evaluate the relationship between the variables, utilizing both the p-value and the t-statistic as evaluative criteria. A p-value threshold of 0.05 serves to signify a direct effect, whereas a t-statistic threshold of 1.96, corresponding to the same 5% significance level, serves to confirm the effect's magnitude. A t-statistic exceeding 1.96 thus indicates statistical significance. The detailed outcomes of the bootstrapping analysis are summarized in Table 5.

Table 5. Hypothesis Test

Hypothesis	Original Sample	Sample Mean	Standard Deviation	t-statistics	p-values
Transformational Leadership (X1)→ Organizational Culture (Y1)	0.410	0.424	0.076	5.357	0.000
Organizational Culture (Y1)→Employee Performance (Y3)	0.212	0.200	0.096	2.198	0.027
Religious Values→Organizational Culture (Y1)→ Employee Performance (Y3)	0.145	0.130	0.070	2.058	0.041
Transformational Leadership (X1)→ Organizational Culture (Y1)→ Employee Performance (Y3)	0.101	0.103	0.043	0.277	0.023

The data summarized in Table 5 indicates that Transformational Leadership has a statistically significant effect on Organizational Culture. Given the p-value of 0.000, which is well under the 0.05 cutoff, a direct relationship is confirmed. The t-value of 5.357 is higher than the 1.96 critical threshold, corroborating that Transformational Leadership and Organizational Culture are meaningfully linked. Thus, the first hypothesis (H1) is validated, evidencing a constructive impact of Transformational Leadership on Organizational Culture. Similarly, Organizational Culture demonstrates a favorable effect on Employee Performance, as confirmed by a p-value of 0.025, which again falls beneath the 0.05 threshold of statistical significance. The accompanying t-value of 2.198 surpasses the critical benchmark of 1.96, further indicating that Organizational Culture significantly influences Employee Performance. Therefore, the second hypothesis (H2) is confirmed, reinforcing the notion that Organizational Culture has a positive effect on Employee Performance.

The following examination investigates how religious values influence the relationship between organizational culture and employee performance. The data reported in Table 5 reveal a p-value of 0.041, which falls below the conventional 0.05 cutoff, and a t-statistic of 2.058, exceeding the critical threshold of 1.96. These indicators collectively suggest that religious values meaningfully moderate the impact of organizational culture on employee performance outcomes. Hence, the fourth hypothesis, denoted as H4, is substantiated; that is, religious values operate as a moderating variable connecting organizational culture and employee performance.

The results detailed in Table 5 reveal that Transformational Leadership positively influences Employee Performance through the intervening mechanism of Organizational

Culture. With a t-statistic of 2.277, surpassing the accepted critical value of 1.96, and a p-value of 0.023 that lies below the 0.05 threshold for statistical significance, the evidence coalesces to indicate that Transformational Leadership enhances Employee Performance, specifically by modifying Organizational Culture. Thus, Hypothesis 3 is substantiated, confirming that Organizational Culture is a viable mediating variable that connects Transformational Leadership to improved Employee Performance.

DISCUSSION

This study confirms that transformational leadership significantly shapes organizational culture within Sumedang Regency's hospitality sector. By inspiring employees, articulating a clear vision, and addressing individual needs, transformational leaders foster a culture of openness, innovation, and bidirectional communication. This culture is crucial for hospitality operations, where consistent service excellence drives customer satisfaction. Employees who perceive their leaders as supportive show greater loyalty, commitment, and adaptability to changing market demands, such as diverse guest expectations. According to Tucunan et al. (2014), transformational leadership directly enhances employee performance by fostering motivation and alignment with organizational goals. These findings align with Rivai (2020), who highlights transformational leadership as a key driver of organizational effectiveness in service industries. The results suggest that fostering transformational leadership can strengthen Sumedang's hospitality sector, enhancing its competitiveness within West Java's tourism landscape.

Organizational culture also plays a vital role in boosting employee performance in Sumedang's hospitality industry. A culture rooted in equity, professionalism, and service orientation creates a supportive environment that enhances productivity and guest satisfaction. When employees operate within a culture that values collaboration and responsiveness, they are better equipped to meet high service standards, contributing to the hotel's reputation. According to Wardani et al. (2016), organizational culture significantly influences employee performance across multiple dimensions, such as teamwork and adaptability. This study extends these findings by showing that a strong culture reduces turnover and fosters community, which is critical for addressing Sumedang's low hotel occupancy rates (Kusuma, 2022). A positive culture also enables hotels to adapt to trends like digital service platforms, ensuring long-term competitiveness (Ginting, 2023). These outcomes highlight the importance of cultivating a robust organizational culture to sustain performance in a challenging market.

Religious values serve as a moderating factor, strengthening the link between organizational culture and employee performance in Sumedang's hospitality sector. Values like honesty, accountability, and diligence enhance employees' commitment to a positive culture, leading to improved performance and customer satisfaction. According to Rijal (2019), religious values amplify the effect of organizational culture on performance, particularly in Indonesia's religious society. This study adds that in Sumedang, where diverse religious traditions like Islam and Christianity coexist, these values foster ethical behavior across faiths, enhancing cultural alignment (Robbins et al., 1966). For example, employees guided by religious principles show greater discipline and dedication, which supports service quality (Dwinastiti, 2015). This finding is relevant beyond hospitality, as similar dynamics may apply in sectors like education or healthcare, where ethical conduct drives performance (Mangkunegara & Puspitasari, 2015). Future research could explore how specific religious denominations influence these outcomes in varied contexts.

The mediating role of organizational culture in the relationship between transformational leadership and employee performance is also evident. Leaders who inspire creativity and growth shape a culture that translates their vision into measurable performance outcomes. This mediation is critical in hospitality, where service quality depends on collective effort rather than individual directives. According to Thania et al. (2024), organizational culture amplifies the positive effects of transformational leadership,

ensuring sustained performance improvements. This study confirms that in Sumedang, a culture shaped by transformational leadership fosters employee commitment to guest satisfaction, addressing local tourism challenges (Fachrurazi et al., 2022). The findings suggest that leadership and culture must work together to achieve optimal results, as a supportive culture ensures leadership efforts are fully realized (Yunarsih, 2017).

The implications of these findings are significant for Sumedang's hospitality sector. Hotel managers should prioritize leadership training programs that emphasize transformational approaches, such as workshops on inspirational motivation and individualized consideration. Additionally, fostering a culture that integrates local religious values, such as integrity and compassion, can enhance employee performance and guest satisfaction. These strategies can help address regional challenges like low occupancy rates by improving service quality and competitiveness. Beyond hospitality, the findings suggest that organizations in other sectors could benefit from aligning leadership and culture with ethical values to boost performance. Future research should explore these dynamics in different industries and regions to enhance generalizability.

CONCLUSION

This study demonstrates that transformational leadership significantly influences organizational culture, which in turn enhances employee performance in Sumedang Regency's hospitality sector. A strong organizational culture, characterized by teamwork and service excellence, acts as a mediator, channeling the positive effects of leadership into measurable outcomes. Religious values play a key role as a moderator, strengthening the link between organizational culture and employee performance by fostering ethical behavior and dedication. These findings highlight the interconnected roles of leadership, culture, and values in driving performance in a culturally rich region like Sumedang, offering a model for improving service quality in hospitality settings.

The findings have practical implications for hotel managers aiming to boost performance. Implementing leadership training that emphasizes inspirational motivation and individualized consideration can foster a supportive culture, while integrating religious values like honesty and responsibility can enhance employee commitment. However, this study is limited by its focus on Sumedang's hospitality sector, which may limit generalizability to other regions or industries. The reliance on self-reported data also risks response bias. Future research could explore these dynamics in different sectors, such as education or manufacturing, and use longitudinal designs to assess long-term effects. Including objective performance metrics, like guest satisfaction scores, could further strengthen the findings.

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