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POLITICAL SKILL AND TRANSACTIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE: THE MEDIATING EFFECT OF ORGANIZATIONAL WORK CULTURE⁸

Purpose – Previous research has examined political skills and transactional leadership in examining predictors and determinants of employee performance. This study was made necessary by the lack of research on organizational work culture and mediation in the holding industry. This study examines differences in employee performance due to political skills and transactional leadership and examines organizational work culture as a mediating factor. *Design/methodology/approach* – This study used census sampling techniques. Collect data using questionnaires and analyze research model hypotheses using Confirmatory Factor Analysis and Structural Equation Modeling with SmartPLS. *Findings* – The data analysis results show that political skills and transactional leadership are not positively related to employee performance and organizational work culture. Organizational work culture also fails to be a mediator, and only the impact of organizational work culture on employee performance is positive and significant. *Practical implications* – Organizations must do everything possible to ensure an improved adaptable, collaborative, flexible, and team-oriented work culture within the organization, as this is essential to improving performance by providing motivation, embracing innovative ideas, responding to employee complaints, and enabling the organization to survive and thrive. *Originality/value* – The study provides insights into how and to what extent political skills and transactional leadership variables affect employee performance. This study complements the existing literature and explores the mediating role of organizational work culture. Executives and

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⁸ This paper should be cited as: Hadi, S., Faridiana, A., Kirana, K. C., Lukitaningsih, A., Rahmawati, C. H. T., Purnasari, E., Wahyuningtyas, N. (2024). Political Skill and Transactional Leadership on Employee Performance: The Mediating Effect of Organizational Work Culture. – *Economic Studies (Ikonomicheski Izsledvania)*, 33(4), pp. 112-129.

policymakers can use the study's findings to improve organizational work culture in the corporate holding industry. The study opens up possibilities for future research.

Keywords: Political Skill; Transactional Leadership; Employee Performance; Organizational Work Culture

JEL: D23; D63; M21; O15; A13

1. Introduction

The shift in the performance paradigm towards intellectual capital has recently been increasingly debated, especially when the integration of human capital and structural capital as internal resources and an organization's core competencies become inseparable. Human capital refers to the economic value of a worker's skills. It considers human capital as the primary key to an entity that is useful in facing various life challenges, including achieving company performance, one of which is political skill capital and the ability to optimize resources. In addition, the emergence of various new technological innovations must be adopted by companies to accelerate their employee performance sustainably and optimally. Employee performance is the quality and quantity of work attained by an employee in carrying out the responsibilities given (Kim, Chang, 2019), and generally use the 360 multi-score method for assessing performance. Jejen (2021) emphasized that all companies try to have the best, most effective, and most sustainable performance. However, limited internal resources significantly impact facilitating and hindering company performance. Social intelligence, interpersonal influence, rewards, and excellent management are all encouraged. This phenomenon has been explained in the Resource Based View Theory (RBV), which states that maintaining competitive edges lies in having specific essential resources, namely valuable and difficult-to-replicate resources. Companies can acquire benefits if they optimize these resources effectively.

The current business life cycle is seen in financial management, service, promotion, marketing, product quality, and most importantly, the HR management succession. A leader plays an essential role in ensuring that the quality management system implemented by the company goes well, such that the determination, implementation, evaluation, control, and improvement processes must go according to the company's strategic plan. Implementing the interpersonal relationship between a leader and the HR he manages has different styles. However, the most important thing is that a leader can make the entire team achieve and provide performance results (Baharuddin, 2020). It is clear from the perspective of the Resource Based View theory that HR is a strategic source of competitive edge in facing competition (Hamid et al., 2019) and surviving as well as thriving during the economic crisis, mainly what has occurred for several years due to a global pandemic (de Janasz, Crossman, 2018; Shammi et al., 2020). The impact of the pandemic that occurred a few years ago caused socio-economic, employee welfare, work stress levels, work environment, and even psychological health upheaval (Carnevale, 2020). This occurs evenly in companies in both the service and manufacturing sectors (Liu et al., 2020), especially on the subject of this research, one of the holding companies in Indonesia that has four business units and six subsidiaries with centralization in one holding leader based on the Work From Home (WFH) system, when activity restrictions occur due to COVID. The researcher interviewed one of

the managers and conveyed the results. The evaluation results showed that employee performance targets still needed to be achieved, even though all promotional efforts had been made. This is also supported by previous studies, which also stated that marketing factors were not proven to have a positive impact on performance during the pandemic (Dhillon et al., 2023) and Lindeberg et al. (2022), which state that a change in the physical work environment has a stronger relationship with productivity.

Ismael et al. (2021) state that effective leadership has a significant and strategic role in effectiveness and efficiency improvement in organizational goal attainment. Moreover, company development depends on the quality of the company's employees' performance, which is influenced by the leadership (Citrawati, Khuzaini, 2021). Transactional leadership is the right leadership style for encouraging employee performance during WFH since this leadership style emphasizes transactions between leaders and employees to achieve specific goals. Darmasaputra, et al. (2019) state that transactional leadership is a transactional collaborative leadership style that rewards employees for their success in doing particular jobs, while Robbins & Judge (2017) confirm that transactional leadership is a leader who motivates members toward the goals set by giving appreciation for their productivity. A transactional leadership style is also known as a leadership style that encourages the obedience of followers through two factors, namely rewards and punishments. Yukl & Gardner (2020) explain more clearly the mirror of the transactional leader's relationship with employees, namely: (a) leaders know what the employees want and explain what they will get if their work meets the expectations, (b) leaders provide or exchange efforts made by employees by obtaining rewards, and (c) leaders are responsive to employees' interests as long as these interests are proportional to the value of the work done by them.

However, each employee has a different perception of one another, so leaders must have political skills in interpersonal relations. Leaders with good political skills tend to have strong interpersonal influence, high emotional and social intelligence, and adaptability even under unfavourable conditions (Idris et al., 2022). Political skills are precious resources, even very likely to be used negatively to encourage performance improvement, and leaders with influencing and political skills strongly correlate with high employee performance (Mahajan, Templer, 2021). Political skill is one of the leadership competencies to be able to make an organization more effective in understanding other people at work and to use knowledge to influence others to act as they wish to enhance personal and organizational interests through persuasion, deception, and negotiation, which addresses the selection of the most situationally appropriate influence tactics and their successful execution (Mintzberg, 1983). This aligns with the theory of political influence, which states that political power is used to maximize desired rewards, such as company performance or career success (Hayek et al., 2018) and minimize potential negative impacts (Kim et al., 2019). This confirms that individuals who have the power of political skills are needed in organizations because companies will face dynamic work environments.

Some literature shows that political skills are proven to play an essential role in influencing employee performance (Salwan et al., 2019) and have a positive impact on performance (Chong et al., 2023; Demirbağ et al., 2022; Good, Schwepker, 2022), but the results of Gunaedi's research (2018) are not in line with a study that states that political skills do not

affect employee performance. Most of the literature says that transactional leadership style has a positive impact on performance (Adriansyah et al., 2020; Donkor et al., 2022; Lee et al., 2023), but in addition, Thapa & Parimoo (2022) shows that transactional leadership style insignificantly and negatively influences organizational performance. This difference emerged from an empirical gap and previous phenomena, and to cover it, the researcher proposes organizational work culture as a mediator of the relationship between transactional leadership style and political skills on employee performance. Based on previous research suggestions from Paais & Pattiruhu (2020), organizational work culture can mediate between leadership and performance. Organizational work culture in several works of literature has a positive influence on performance, as Ristiana (2019) shows that organizational work culture has a significant positive effect on performance, Darmasaputra et al. (2019) also show that organizational work culture has a significant positive impact on employee performance, as well as Hafulyon et al. (2021) show that organizational work culture has a significant positive effect on employee performance.

Organizational work culture can be an excellent mediator in organizational transformation because the work environment plays a vital role in changing one's behaviour at work. Hafizurrachman et al. (2018) state that organizational work culture is a belief, attitude, and value generally owned and arises in an organization. This means that when an organization's work culture is positive, it will positively impact its performance in facing the challenges of dynamic environmental change. While the leadership style shapes the culture, it will be directed towards organizational agility or vice versa. So, this research is exciting for empirical research to examine and analyze the influence of these variables on holding companies engaged in various business sectors.

2. Literature Review

2.1. Transactional Leadership on Employee Performance

The previous research results stated that transactional leadership has a significant positive effect on employee performance (Adriansyah et al., 2020; Donkor et al., 2022; Lee et al., 2023; Widyacahyani et al., 2020; Darmasaputra et al., 2019). This means that transactional leadership indicators such as contingent rewards, active management by exception, and passive management by exception increase; therefore, performance related to quality, quantity, punctuality, effectiveness, independence, and work commitment will increase in line with the transactional leadership antecedents. Research by Idris et al. (2022) also tested the influence of transformational leadership, political skills, and organizational culture and their effect on employee performance. However, it differs from this study, which focuses on transactional leadership antecedents, since previous research has proven that transactional leadership positively influences employee performance. Leaders who can provide rewards to subordinates based on good performance will have an impact on improving employee performance results, and vice versa; less reward given to employees will make the employee's performance decrease. The description above becomes the basis for making the research hypothesis as follows:

H1. Transactional leadership has a positive effect on employee performance.

2.2. *Political Skills on Employee Performance*

Social astuteness, interpersonal influence, networking skills, and sincerity are part of political skills. Some literature has avowed that the better one's political skills are, the better performance can be generated in terms of quality, quantity, punctuality, effectiveness, independence, and work commitment. Some of these studies, namely Idris et al. (2022), state that political skill has a significant positive effect on employee performance and are also supported by previous research such as Chong et al. (2023), Demirbağ et al. (2022), Novitasari (2021), and Good & Schwepker (2022). Employees with high political skills tend to be able to improve their performance. On the contrary, low political skills can cause a decrease in performance. Social skills, as one of the main characteristics of influencing others, have a significant role in improving the quality of employee performance (Kim et al., 2019). Next, the political skills possessed by a leader significantly affect employee performance because of their ability to spread values, understand employees, and direct them to work better; therefore, their performance increases. The description above becomes the basis for making the research hypothesis as follows:

H2. Political skills have a positive effect on employee performance.

2.3. *Transactional Leadership and Political Skills on Organizational Work Culture*

Bassem & Adel's (2018) research shows that leadership and organizational work culture have a significant positive impact, even though the value is weak. Another study that strengthens this influence was carried out by Adriansyah et al. (2020), which states that transactional leadership style significantly positively influences employee work culture. In addition, research conducted by Xenikou (2017) indicates that transformational leadership can create cultural views that are both innovative and transactional. Thus, this literature assumes that when contingent rewards, active management by exception, and passive management by exception from a leader are reasonable, it will increase discipline, openness, mutual respect, and cooperation, which are part of the work culture.

Besides that, research by Idris et al. (2022) shows that political skills positively influence organizational work culture. Political skills strongly correlate with organizational work culture transformation, meaning that when social astuteness, interpersonal influence, networking skills, and sincerity are good, they can increase discipline, openness, mutual respect, and cooperation. The work culture continues to change; therefore, the adaptability of political skills becomes a requirement to improve performance. So, this research assumes that the requirements or characteristics of political skills are crucial social capital for leaders to create the desired values in the organization. The description above becomes the basis for making the research hypothesis as follows:

H3. Transactional leadership has a positive effect on organizational work culture.

H4. Political skills have a positive effect on organizational work culture.

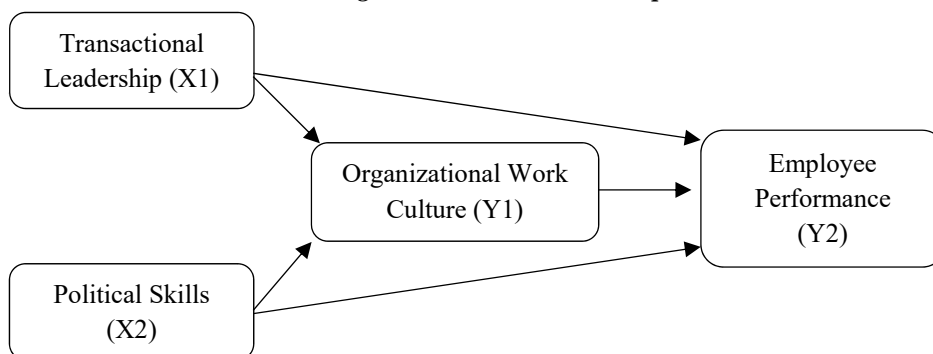
2.4. *The Influence of Organizational Work Culture on Employee Performance*

Shahriari & Allameh (2020) stated that organizational work culture has a significant positive effect on employee performance, in line with Bassem & Adel (2018), Abdullah et al. (2021), Aboramadan et al. (2019), Al-Musadieq et al. (2018), Shahriari & Allameh (2020), and Darmasaputra et al. (2019). This means that when discipline, openness, mutual respect, and cooperation, which are parts of the employee's work culture increase, performance indicators in terms of quality, quantity, timeliness, effectiveness, independence, and work commitment will also increase. Moreover, Ristiana (2019) shows that the variables of organizational work culture and job satisfaction significantly influence service and performance quality. This is in line with the findings of Paais & Pattiruhu (2020), which state that organizational work culture is a predictor that plays a vital role in encouraging performance, apart from compensation and satisfaction factors. Recalling that job satisfaction is essential in employee performance to produce optimal work for organizational goals can be achieved. Then, researchers assume that an excellent organizational work culture will improve employee performance and accelerate the attainment of organizational goals. The description above becomes the basis for making the research hypothesis as follows:

H5. Organizational work culture has a positive effect on employee performance.

Based on the study and evaluation of different research findings, the literature review, and the relationships between the variables as mentioned earlier. Figure 1 presents the research framework.

Figure 1. Research Mind Map



3. Research Method

The subjects studied were employees at holding companies engaged in various business sectors, while the objects of this study included transactional leadership, political skills, work culture, and employee performance. The research design is explanatory research with a quantitative approach based on statistical information from primary data built on the philosophy of positivism to test the hypotheses set with SmartPLS software. The population in this study was 135 holding company employees. Then, the sampling model used is nonprobability sampling with the method of sample determination using a census, a sampling

technique utilized when all population members are used as samples. Data was collected using a questionnaire consisting of instrument statements and indicator statements for each variable on a Likert scale of 1-5, which means 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree).

Validity and reliability tests were carried out by looking at Convergent Validity (correlation value > 0.50), Discriminant Validity (relationship between the indicator and its construct $>$ its relationship with other constructs), and Composite Reliability (having a value above 0.70). Next, the Model Test is carried out. The next stage is to test the hypothesis. The hypothesis is said to be accepted when the P- value < 0.05 or T statistic $>$ T table. Meanwhile, mediation analysis is done by looking at Direct Effect (DE) $>$ Total Effect (TE).

The establishment of the research instrument refers to the definition of research indicators. The variables, indicators, and instrument statements are as follows: The variable indicator of transactional leadership consists of three indicators (Bass et al., 2003) equipped with statements that have been developed by the authors, namely:

1. Contingent rewards: "My leader directs the execution of tasks based on the job desk, motivates them to complete work, and gives rewards when work targets are attained."
2. Active Management by Exception: "My leader always supervises work processes, corrects every mistake I make, and always pays attention to SOP deviations."
3. Passive Management by Exception: "My leader gives warnings, sanctions, and coaching when work does not meet the standards/targets."

Political Skills variable indicators consist of three indicators (Ferris et al., 2007) equipped with statements that have been developed by the authors, namely:

1. Social astuteness: "My leader identifies alternative resolutions to solve complaints, responds quickly to problems, and proactively establishes relationships with the work environment."
2. Interpersonal Influence: "My leader has expertise in influencing employee attitudes, establishing bonds with each employee, and always convincing in every explanation."
3. Networking Ability: "My leader can build, stabilize, and improve stakeholder relationships."

The indicator for the Organizational Work Culture variable consists of three indicators (Adikumoro et al., 2022) equipped with statements that have been developed by the authors, namely:

1. Discipline: "I arrive on time according to schedule, be assertive in carrying out tasks, and confident in making decisions."
2. Openness: "I can channel aspirations directly and establish good communication with other employees."
3. Mutual Respect: My colleagues respect each other's opinions, support them, and heed their opinions."

Performance variable indicators consist of three indicators (Hadi et al., 2023) equipped with statements that have been developed by the authors, namely:

1. Quantity of Work: "I managed to attain the target in completing the volume of work punctually."
2. Quality of Work: "I do work according to the SOP skillfully and have a sense of responsibility."
3. Work effectiveness: "I provide innovative ideas, complete work without waiting for orders, and exceed company targets."

4. Results

4.1. Data Respondents Characteristics

The results of this research are divided into several sections according to the chosen methodology. The characteristics of the respondents categorized by gender, age, education, and years of service can be seen in Table 1.

Table 1. Respondents Characteristics

Characteristics of Respondents Based on Gender		
Gender	Frequency	%
Male	53	40
Female	47	35
Did not fill	35	25
Total	135	100
Characteristics of Respondents by Age		
Age (years)	Frequency	%
20-30	25	18
31-40	28	21
41-50	37	27
≥ 51	10	8
Did not fill	35	26
Total	135	100
Characteristics of Respondents based on Last Education		
Last Education	Frequency	%
High school or equivalent	30	22
D3/D4	15	11
S1	43	32
S2	12	9
Did not fill	35	26
Total	135	100
Characteristics of Respondents Based on Years of Service		
Working Period (year)	Frequency	%
≤ 5	26	19
6-10	24	18
11-20	37	27
≥ 21	13	10
Did not fill	35	26
Total	135	100

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One hundred respondents filled out the questionnaire, and the initial target population was 135 employees. Researchers have coordinated, but the number of respondents has stayed the same, so the researchers decided to cut off 100 respondents who had filled out the questionnaire. The response characteristic data shows that men dominate employees in the company at 40%, women at 35%, and the rest are unknown because they did not complete the questionnaire. This data also shows the characteristics of respondents based on age, most of whom are between the ages of 40-50, dominated by undergraduate graduates, and the most extended number of years of work is 11-20 years.

4.2. Instrument Test Result

4.2.1. Convergent Validity

The results of the convergent validity instrument test show that all indicators of the variable transactional leadership, political skills, organizational work culture, and employee performance have an outer loading value of > 0.5 and that all indicators are said to be valid, as shown in Table 2.

Table 2. Loading Factor Indicator Value for Each Variable

Transactional Leadership	
Indicator	Outer Loading
Contingent Rewards	0,934
Active Management by Exception	0,937
Passive Management by Exception	0,946
Political Skills	
Social Astuteness	0,971
Interpersonal Influence	0,962
Networking Capability	0,979
Organizational Work Culture	
Discipline	0,817
Openness	0,911
Mutual Respect	0,847
Employee Performance	
Quantity of Work	0,906
Quality of Work	0,939
Work Effectiveness	0,839

4.2.2. Convergent Validity

The reliability test result using either Cronbach's Alpha or Composite Reliability is > 0.7 . Therefore, it can be concluded that the variables tested are valid and reliable, as shown in Table 3.

Table 3. Reliability and Validity Constructs

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Organizational Work Culture	0,821	0,894	0,738
Transactional Leadership	0,933	0,957	0,882
Political Skills	0,970	0,980	0,942
Employee Performance	0,878	0,924	0,802

4.2.3. Structural Model Analysis

After modifying the model to obtain the best model, Figure 2 is the structural model.

Figure 2. Structural Model

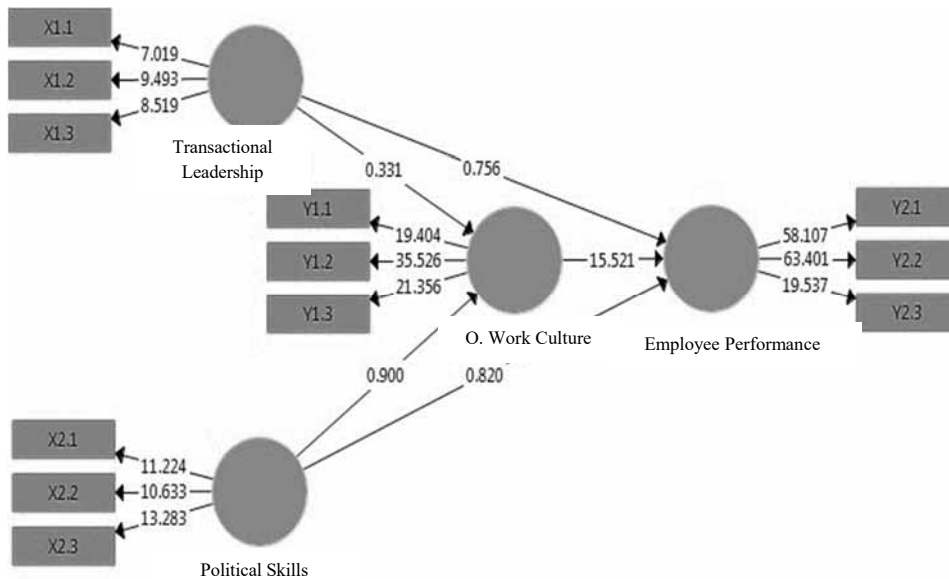


Table 4. R Square value

Variable	R Square	R Square Adjusted
Organizational Work Culture	0.058	0.039
Employee Performance	0.551	0.537

Assessing the model begins by looking at the R-square, presented in Table 4. Table 4. shows that the R-Square value for the organizational work culture value variable is 0.058, which means the model can explain 5.8% of the variables that affect organizational work culture. The employee performance variable has a value of 0.551, which means that the model can explain 55.1% of the variables that affect employee performance. Besides that, the calculation of the Q-Square predictive relevance is at 0.307, where the value is greater than zero. It indicates that the model has a predictive relevance that can explain the model of 0.307, or 31%. This research indicates that organizational work culture has minimal impact on employee performance, so adding other variables not used in this research is necessary. This research suggests that organizational work culture has minimal impact on employee performance. So, it is required to add other variables that are not used in this research.

4.3. *Hypothesis Analysis*

The basis used in testing the hypothesis is the value in the output result for inner weight. The following output estimate table shows only the influence of organizational work culture and

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performance, which has a P-value of $0.000 < 0.05$ and a T-statistic $15.521 > t\text{-table}$ (1.960), which means this hypothesis is proven. The other hypotheses are not proven, as shown in Table 5 in this study.

Table 5. Result for Inner Weight

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Sta. (O/STDEV)	P-Value	Status
O. Work Culture -> Employee Performance	0.743	0.747	0.048	15.521	0.000	Proven
Transactional Leadership -> O. Work Culture	0.071	0.109	0.214	0.331	0.741	Not Proven
Transactional Leadership -> Employee Performance	0.119	0.137	0.157	0.756	0.450	Not Proven
Political Skills -> O. Work Culture	0.177	0.152	0.196	0.900	0.369	Not Proven
Political Skills -> Employee Performance	-0.128	-0.141	0.156	0.820	0.413	Not Proven

4.4. Mediation Analysis

The results of the mediation analysis are shown in Table 6. Variable X1 has an indirect effect (IE) value of 0.053 with P-values of 0.740 (greater than 0.05), meaning that the indirect effect of transactional leadership (X1) on employee performance (Y2) through organizational work culture (Y2) is also not proven. Meanwhile, the variable X2 has an indirect effect (IE) value of 0.131 with a P-value of 0.376 (greater than 0.05), meaning that the indirect effect of political skills (X2) on employee performance (Y2) through organizational work culture (Y1) is not proven.

Table 6. Mediation Effect

VAR.	Direct Effect (DE)	Indirect Effect (IE)	Total Effect (TE)	Mediation Effect
	Xi->Y2	Xi->Y1->Y2	(DE+IE)	TE-DE
(1)	(2)	(3)	(4)	(5)
X1	0,119 (0,450)	0,053 (0,740)	0,172 (0,471)	(0,172-0,119) = 0,053
X2	-0,128 (0,413)	0,131 (0,376)	0,003 (0,989)	(0,003+0,128) = 0,131

5. Discussion

5.1. The Effect of Transactional Leadership on Employee Performance

Transactional leadership in this study shows a positive direction but does not significantly affect employee performance, with a P-value of $0.450 > 0.05$. These results indicate that the transactional leadership style does not affect performance at the holding company and that another leadership style always seeks to provide instructions and listen to employee input regarding decisions made and innovative ideas submitted by employees. Differences in previous research results in the implementation of performance theory, especially those presented by Robbins & Judge (2017), are common since different research locations,

research subjects, and research time are factors that can determine the relationship between transactional leadership and employee performance. This research does not support previous research that becomes the basis for the hypotheses, such as the research conducted by Darmasaputra & Sudibya (2019), Widyacahyani et al. (2020), Adriansyah et al. (2020), Donkor et al. (2022), and Lee et al. (2023), which indicate that there is a positive effect of transactional leadership style on employee performance, with the support of Thapa & Parimoo (2022), which shows that transactional leadership style has no significant effect on employee performance. Thus, it can be concluded that transactional leadership has no significant effect on the performance of employees at holding companies.

This result is unique because most previous research shows that transactional leadership positively impacts performance. This can be an insight for leaders to differentiate implementation strategies for managing employees during normal and abnormal situations, such as when this research occurred during a pandemic. The leader's role is to motivate employees to work optimally by giving awards, as imbalance does not affect employee performance. What is needed at that time is not giving rewards or imbalance, but the most important thing is health. The pandemic atmosphere is so tense that it is very worrying, so they only think about how to save themselves and their families. This is an important finding, especially for business practitioners. The leadership style needed is not only rewarding or transactional but can also make efforts to provide specific instructions to employees, explain decisions that have been made, and provide encouragement to employees; therefore, work can be completed and meet the quantity and quality targets, as well as predetermined time limits.

5.2. The Effect of Political Skills on Employee Performance

Political skills show a positive direction but do not significantly affect employee performance, with a P-value of $0.413 > 0.05$. Political skills show insignificant results, meaning that social acumen, interpersonal influence, and networking skills do not affect employee performance. A leader in an organization should need political skills to understand other people, exert interpersonal influence, and act for the interests of individuals or organizations, which can later motivate employees to achieve high performance, but this is not proven in this study. According to Templer et al. (2021), employees with good political skills, such as networking skills, interpersonal influence, good social intelligence, and sincerity in socializing with others can improve employee performance. However, empirically, some employees referred to as toxic employees have dark personality characteristics (low honesty and lack of humility) and are often found to have much higher income and salary than other employees, even being elected as leaders. This is because supervisors clearly understand social interactions and accurately interpret their own and other people's behaviour. Conversely, supervisors allow people to adapt and calibrate their behaviour to different situations and are seen as valuable and necessary for successful personal and organizational gains.

The research results show that differences in the political skills theory implementation are common because of the differences in research locations, research subjects, and research time, which are factors that can determine the relationship between political skills and

employee performance. This research does not support previous research that became the basis for making the research hypotheses, including the research conducted by Idris et al. (2022), Chong et al. (2023), Demirbağ et al. (2022), Novitasari (2021), and Good & Schwepker (2022), which states that there is a positive influence of political skills on employee performance. However, Kistyanto (2018) supports this research, saying that political skills do not significantly positively affect employee performance due to the period of employment. The results of the respondent's characteristics in the category of years of service mainly were less than five years, at 26%. This percentage perhaps indicates low political skills because employees are still inexperienced with working conditions. In addition, research by Hayek et al. (2018) in the Ecuadorian context also avowed that political skills have a positive direction but are not significant towards performance. Understanding the influence of political skills will have the consequence that human resource development is essential to building employee-management relationships that can lead to sustainable competitive edges. Political skills in understanding employees and providing performance motivation cannot be carried out optimally because health is needed during the pandemic. The tense atmosphere of the pandemic is so worrying that all they think about is how to save themselves and their families. This is an important finding, especially for business practitioners. Thus, it can be concluded that political skills did not significantly affect employee performance during the pandemic.

5.3. The Effect of Transactional Leadership on Organizational Work Culture

Transactional leadership is not proven to significantly affect organizational work culture because the P-value is $0.741 > 0.05$. This means that when transactional leadership only emphasizes interpersonal transactions between leaders and employees involving exchange relationships, it will not have a direct effect on employee work culture, even though Robbins & Judge (2017) state that a healthy work culture will lead to better organizational development because all aspects of the organization can be influenced by culture, especially employee behaviour and perspectives about their work. This research is supported by Bassem & Adel (2018), who indicate that transactional leadership style has no significant effect on employee performance. Leadership should create a strong culture within the organization through the unity of norms, values, and beliefs since it can increase efficiency and effectiveness, communication, and mutual understanding. In addition, creating a solid work culture can help team members with different cultural backgrounds improve their performance. The holding company has hired employees who have quality and are following the work fields; therefore, they can maximize their potential and eventually affect employee performance. Based on the results of the analysis above, it is proven that the existence of a transactional leadership style does not affect organizational work culture. This can happen due to the organization's work culture, which has been formed for quite some time and is not influenced by periodic transactional leadership styles. This implication is interesting for practitioners, when something unusual happens, the handling is also exceptional, such as during a pandemic. Mainly how a leader influences work culture because conditions, jobs, and situations are different, thus, it can be concluded that transactional leadership does not affect organizational work culture.

5.4. The Effect of Political Skills on Organizational Work Culture

Understanding the influence of political skills in human resource development is significant because it can build employee-management relationships that can lead to sustainable competitive advantages (Hayek et al., 2018). Political skills are individual skills in understanding other people and using the knowledge they have in order to act according to their wishes for personal and organizational interests (Idris et al., 2022). Based on the results of this study, it is indicated that political skills do not affect organizational work culture, with a P-value of $0.369 > 0.05$. Political skills consisting of social acumen, interpersonal influence, and networking skills do not affect organizational work culture. An organization leader needs to understand other people, exert interpersonal influence, and act for the interests of individuals or organizations, which in turn can motivate employees to achieve high performance and later emerge as an organizational work culture.

The results of this study are not in line with previous research from Idris et al. (2022), Bassem & Adel (2018), Abdullah et al. (2021), Aboramadan et al. (2019), Al-Musadieg et al. (2018), Shahriari & Allameh (2020), and Darmasaputra et al. (2019). Where support from a leader contributes to the growth of a positive organizational work culture, leader support that will bring positive behaviour to influence organizational work culture affirms that individuals who have the power of political skills are needed in organizations because companies will face a dynamic work environment. The political skills of a leader should be able to create a positive work culture; therefore, an organization can be effective when the work culture raised by a leader leads to the achievement of organizational goals since a leader is the one who can provide support and make his subordinates feel cared for and will find it easier to do the job. Based on the analysis above, it can be concluded that political skills do not affect organizational work culture.

5.5. The Influence of Organizational Work Culture on Employee Performance

The results showed that organizational work culture significantly positively affects employee performance, with a P-value of $0.000 < 0.05$. This means that the higher the organizational work culture shown by employees at work, it will have an impact on improving performance. Robbins & Judge's (2017) approach identifies that organizational work culture is a variety of systems created for its members; therefore, they can differentiate one organization from another. A healthy work culture will lead to better organizational development because all aspects of the organization can be influenced by culture, especially the behaviour and perspective of the employees about their work. The results of this study are supported by Bassem & Adel (2018), Abdullah et al. (2021), Aboramadan et al. (2019), Al-Musadieg et al. (2018), Shahriari & Allameh (2020), and Darmasaputra et al. (2019), who state that organizational work culture has a positive effect on efforts to increase employee performance. A positive work culture will create an excellent corporate culture and also reflect that this culture already has strong roots, which can be imbued and actualized in daily work.

This research has important implications for managers, including encouraging employee performance by strengthening adaptive, collaborative, flexible, and team-oriented aspects.

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This research is also supported by Paais & Pattiruhu (2020), who state that organizational work culture is a predictor that plays an essential role in encouraging employee performance. It was also supported by Idris (2019), who avowed that organizational work culture strongly correlates with employee performance. Culture in an organization has a function as a guide for employees to behave and carry out their responsibilities. The results of this study also state that work cultures such as flexibility, cooperation, responsibility, and risk-taking can help employees make decisions in various conditions and solve work problems. The results of this study indicate that the organizational work culture variable has a positive and significant influence on employee performance improvement efforts.

5.6. Transactional Leadership and Political Skills on Employee Performance through Organizational Work Culture

The results of the hypothesis testing indicate that organizational work culture cannot mediate the effect of transactional leadership on employee performance. The magnitude of the indirect effect of the coefficient value is 0.740, with a t-statistic value of 0.332. This shows that organizational work culture does not play an essential role in significantly mediating the influence of transactional leadership variables on employee performance. In addition, the original sample total effect (0.172) > original sample direct effect (0.119), and the total effect as well as the direct effect are not significant. This shows that transactional leadership does not significantly affect employee performance through organizational work culture as a mediating variable. This research does not support the research of Darmasaputra Sudibya (2019). Therefore, further research is needed to explore the mediating role of organizational work culture since logically, organizational work culture has a role in influencing organizational leadership style in attaining optimal performance.

Organizational work culture can also not mediate the effect of political skills on employee performance; therefore, the hypothesis is not proven. The magnitude of the indirect effect of the coefficient value is 0.376, with a t-statistic value of 0.887. This shows that organizational work culture does not play an essential role in influencing political skills on employee performance because there is and is not an intervening variable. Thus, political skills do not affect employee performance, as the t-statistic value is less than 1.960. While the original sample total effect (0.003) > original sample direct effect (-0.128), the total effect and immediate effect are not significant, meaning that the organizational work culture variable as a mediator does not play a role in influencing political skills on employee performance.

This study does not support the research of Idris et al. (2022), which states that political skills affect employee performance mediated by work culture. Also, research by Gunaedi & Kistyanto (2018) shows that political skills do not directly impact employee performance. Assessed from the descriptive analysis, it indicates that the period of employment less than five years has a portion of 26% could be caused by employees of working age who have not long had skills and experiences with the working environment conditions, which are still low.

6. Conclusion

This study shows that transactional leadership and political skills do not affect employee performance or organizational work culture. This study's results are unique since out of the five hypotheses used, only one has proven to have an influence. This is natural because of the differences in research locations, subjects, and time as factors that can determine this influence. Meanwhile, the proven hypothesis is that organizational work culture really influences performance because it can encourage employees to carry out their duties and responsibilities satisfactorily. This research has important implications for organizations to try and do everything possible to ensure the improvement of an adaptive, collaborative, flexible, and team-oriented work culture within the organizations because it is critical in improving performance by providing motivation, accepting innovative ideas, and responding to employee complaints. Hence, organizations are able to survive and continuously grow.

The limitations of this study are that the antecedent used to see employee performance only utilized two variables, namely transactional leadership and political skills, and the organizational work culture as a mediation. At the same time, there are many other antecedents that can be an antecedent, such as compensation, job satisfaction, and Total Quality Management, which are predictors in monitoring and improving performance. Then, the number of samples in this study is limited to only 100 respondents in one holding company. Thus, further research can increase the number of subjects and research samples. In addition, conducting an in-depth study using an in-depth interview method to obtain a more detailed description of the answers is necessary to deepen the findings of the four unsupported hypotheses. With that, a more precise analysis is expected to be produced to reveal why transactional leadership and political skills do not affect employee performance.

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