

Employee Performance Determinant Model: Organizational Culture, Career Development and Competence through Employee Loyalty

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ABSTRACT

Purpose – This study examines the role of employee loyalty in mediating the influence of organizational culture, career development, and competence on employee performance in a public service organization. The research is motivated by inconsistencies in prior findings and the need for an integrated human resource management model within PT. PLN (Persero) South Sulawesi, where performance issues are linked to cultural, developmental, and competency-related challenges.

Design/methodology/approach – This research employs a quantitative approach with a correlational design. Data were collected from 92 employees of PT. PLN (Persero) South Sulawesi using purposive sampling. Data analysis was conducted using Structural Equation Modelling (SEM) with AMOS to examine both direct and indirect relationships among variables, including the mediating role of employee loyalty.

Finding/Results – The results show that organizational culture, career development, and competence have positive and significant effects on employee loyalty and performance. Employee loyalty also significantly influences performance and acts as a partial mediating variable. The findings indicate that the indirect effects through loyalty strengthen the overall impact of organizational factors on employee performance.

Originality/Value – This study offers an integrated structural model that highlights employee loyalty as a key mediating variable in explaining employee performance. The findings emphasize that improving performance requires a holistic approach combining organizational culture, career development, and competence. Practically, this research provides evidence-based recommendations for strengthening human resource management strategies in public sector organizations, particularly in enhancing sustainable employee performance.

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1. Introduction

Employee performance is a dominant factor in determining the success of public organizations in fulfilling their mission of serving the community. In the context of human resource management, employee performance does not stem solely from individual abilities, but is also shaped by several interrelated organizational factors, namely organizational culture, career development, and employee competence (Yeni et al., 2023; Ramlawati et al., 2023). These three factors form an integrated work system that directly or indirectly determines how optimally employees are able to contribute to achieving organizational goals.

The urgency of this study is reinforced by the complex and strategic organizational characteristics of PT PLN (Persero) South Sulawesi within the national electricity governance system. Employees are required to demonstrate high levels of competence, strong loyalty, and the ability to adapt to organizational dynamics in order to support institutional strengthening, especially as organizational values have not yet been fully internalized by all employees. In practice, however, improving employee performance cannot rely solely on administrative mechanisms; it requires a human resource management approach that simultaneously integrates organizational culture, career development, employee competence, and loyalty. Accordingly, this study is crucial for developing an empirical model that explains the relationships among these variables in a more comprehensive manner and is contextually relevant to the current conditions of public sector organizations (Panjaitan & Sinaga, 2022; Sari & Aji, 2020).

The researcher's initial observations revealed several phenomena that indicate weaknesses in human resource management at PT PLN (Persero) South Sulawesi. First, some employees were unable to operate basic technological devices, reflecting low levels of technical competence. Second, employees perceived an absence of structured career development support that is aligned with their job functions. Third, insufficient recognition from management for performance achievements led to persistent discouragement. Fourth, employees felt excluded from organizational decision-making processes. Fifth, the lack of transparency in promotion procedures created a perception of unfairness. Sixth, a culture of unhealthy competition among employees undermined the creation of a conducive work climate.

The empirical findings indicate that, collectively, organizational culture, career development, and competence have not been managed optimally within PT PLN (Persero) South Sulawesi. This condition, in turn, weakens employee loyalty to the organization. Employee loyalty is not merely an indicator of job satisfaction, but functions as a mediating variable that determines the extent to which these three factors can be translated into actual performance outcomes (Pakaya et al., 2023; Dinsar et al., 2023). Without a solid foundation of employee loyalty as a causal bridge, interventions targeting organizational culture and career development are unlikely to yield durable improvements in employee performance (Hasan et al., 2023).

Several previous studies provide theoretical support for the relevance of these variables. Organizational culture has consistently been shown to exert a significant influence on employee loyalty, particularly through the internalization of shared values, norms, and behavioral expectations (Fajrin & Jaenab, 2023; Ayunda et al., 2022; Christanto & Kadarusman,

2021) and on performance (Astuti, 2022; Reffi & Fernos, 2023). Career development exerts a significant influence on employee loyalty, particularly when employees perceive transparent pathways for advancement and opportunities for continuous professional growth (Febrian et al., 2020; Marzuki et al., 2022; Reffi & Fernos, 2023) and on performance (Sutono & Hidayat, 2023; Sunarsi et al., 2020). Competence influences loyalty (Angga Engkus; & Pramadista, 2022 Priyanto, 2022) and performance (Susanto et al., 2021; Nurwin & Frianto, 2021). Loyalty itself has been proven to have a significant influence on employee performance (Pakaya et al., 2023; Nasution & Rezky, 2023).

Career development exerts a significant influence on employee loyalty, especially when employees perceive transparent pathways for advancement and consistent opportunities for continuous professional growth within the organization (Agmasari & Septyarini, 2022). The study found that organizational culture had no statistically significant effect on employee loyalty, thereby highlighting a potential empirical inconsistency in the existing literature (Lumiu et al., 2019) stated that career development has no significant effect on employee loyalty, thereby contradicting studies that report a positive and significant relationship between the two variables (Mujahidin et al., 2018) found that competence did not have a statistically significant effect on employee loyalty, thereby challenging the dominant view that higher competence is generally associated with stronger loyalty (Maulidiyah, 2020; Kosali, 2023) found that organizational culture and career development did not have a statistically significant effect on employee performance, thereby contrasting with studies that report positive and significant relationships between these variables and performance (Qorfianalda & Wulandari, 2021) found that loyalty had no statistically significant effect on employee performance. This inconsistency indicates that the relationships among these variables are context-dependent and cannot be generalized without rigorous empirical testing in specific organizational settings.

The originality of this research lies in the development of an integrated model that positions organizational culture, career development, and competence as exogenous variables influencing employee loyalty and performance within a single structural framework. Previous studies have tended to focus on organizational culture and the work environment in relation to loyalty and performance, whereas this study incorporates career development and competence as additional key determinants of employee loyalty and performance.

The novelty of this research can be explained in several respects. First, it conceptualizes employee loyalty as a mediating variable that captures the indirect effects of organizational culture, career development, and competence on employee performance. Second, the study is situated in the context of a public service organization, namely PT PLN (Persero) South Sulawesi, which differs substantially from the predominantly corporate or industrial settings examined in prior research. Third, this study employs Structural Equation Modelling (SEM) using AMOS to analyze the simultaneous relationships among variables, thereby generating a more complex and comprehensive analytical model than previous studies that relied on path analysis. Fourth, the use of a larger and more representative sample is expected to yield stronger and more robust empirical evidence.

Based on the conditions observed in the field, the identified scientific gaps, and the urgency of this research, this study is designed to address a fundamental question: "What is the role of employee loyalty in mediating the influence of organizational culture, career development, and competence on employee performance at PT PLN (Persero) South Sulawesi?" The answer to this question is expected not only to contribute scientifically by developing an integrated human resource management model for public service organizations, but also to provide practical, evidence-based recommendations for the leadership of PT PLN (Persero) South Sulawesi Province and policymakers in formulating more effective, equitable, and sustainable human resource management strategies.

2. Literature Review & Hypothesis Development

2.1 Organizational Culture on Employee Loyalty

Organizational culture is a central construct in human resource management and organisational behaviour, denoting a system of shared values, beliefs, norms, basic assumptions, and behavioral patterns that are collectively enacted and maintained by members of an organization (Robbins and Judge, 2017; Amruddin et al., 2022). Organizational culture functions as a social glue that binds organizational members together through shared norms and expectations about what should be said, how they should behave, and which actions are deemed appropriate (Schein, 2010 ; (Hamisah & Nawawi, 2023). A strong organizational culture creates a collective identity that encourages employee commitment to organizational goals. Employee loyalty is significantly influenced by the strength of the organizational culture that is implemented. Building on this (Luthans, 2011; Juwita & Khalimah, 2021) state that employees who internalize organizational values tend to exhibit high levels of loyalty, as reflected in their dedication and their intention to remain with the organization. This is reinforced by (Mowday et al. 1982; Basir; et al., 2023) This confirms that employees' emotional attachment to the organization intensifies in line with the degree of congruence between individual values and organizational values.

H1: Organizational Culture on Employee Loyalty

2.2 Career Development on Employee Loyalty

Career development is a planned and systematic process designed to enhance employees' competencies, capabilities, and performance so that they are better able to contribute to the achievement of organizational goals (Dessler, 2015; Serang et al., 2023) Career development refers to a series of lifelong activities that facilitate an individual's career exploration, establishment, success, and overall professional fulfilment (Mondy and Noe, 2016; Ramlawati et al., 2023) further noting that organizations which provide clear and transparent career development paths tend to enhance employees' motivation and deepen their engagement with the organization.

Employee loyalty is more likely to develop when the organization demonstrates genuine concern for employees' individual career growth (Siagian, 2015; Muchlis et al., 2020). reinforces this argument by asserting that structured career development generates a sense of security and job satisfaction, thereby laying the foundation for long-term employee loyalty.

H2: Career Development on Employee Loyalty

2.3 Competence Towards Employee Loyalty

Competence is a fundamental individual characteristic that directly influences performance in the execution of work tasks (Spencer, 1993; Serang et al., 2023). Competence is an underlying characteristic of an individual that is causally related to effective and superior performance in a given job (2016; Yeni et al., 2023). Competence encompasses the knowledge, skills, and

attitudes required by employees to perform their duties professionally, thereby enabling them to make optimal contributions to the organization. Employee loyalty is closely linked to the level of competence that employees possess and continuously develop within the organizational context (Hutapea and Thoha, 2008; Busro, 2018). stated that employees who perceive that their competencies are recognized and systematically developed by the organization are more likely to demonstrate higher levels of loyalty. (Mangkunegara, 2017; Latief et al., 2024) reinforces this by emphasizing that recognizing employee competence generates job satisfaction, thereby encouraging long-term commitment and sustained loyalty to the organization.

H3: Competence on Employee Loyalty

2.4 Employee Loyalty to Performance

Employee loyalty refers to employees' commitment and dedication to the organization, as evidenced by their willingness to remain with the organization and to contribute optimally to its continued development (Hasibuan; 2017; Hasan et al., 2023). Loyalty is reflected in employees' willingness to protect and defend the organization, both within and beyond the workplace, from various harmful influences. It is demonstrated through consistent obedience, responsibility, dedication, and honesty that employees display in every aspect of their duties (Steers and Porter, 1983; Kadir, 2021). They emphasized that employee loyalty is influenced by job characteristics, work experience, and the degree of congruence between individual values and organizational values. Furthermore, (Saydam, 2005; Kadir, 2021) They stated that organizations that succeed in building employee loyalty gain a range of benefits, including lower turnover rates, higher work productivity, the creation of a harmonious organizational climate, and the development of collective commitment that supports the effective and efficient achievement of organizational goals.

H4: Employee Loyalty to Employee Performance

2.5 Employee Performance

Performance is the level of work results achieved by individuals or groups in an organization, in line with the authority and responsibilities that have been formally assigned (Mangkunegara, 2017; Serang et al., 2023). Performance is the quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities assigned to them. It is influenced by various factors, including ability, motivation, and opportunity, which together shape an individual's capacity to produce optimal and measurable work outputs (Wibowo; 2016; Sugiarti, 2023) explains that performance includes dimensions of work results, work behaviour, and personal traits relevant to the job. Furthermore, (Robbins and Judge, 2019; Madiistryanto; & Tunnufus, 2024) emphasizes that high performance results from a combination of individual abilities, organizational support, and strong motivation, implying that organizations need to create a conducive work environment that enables each employee to make their best contribution to the sustainable achievement of organizational goals.

2.6 Organizational Culture on Performance

Organizational culture refers to a system of shared values, norms, and beliefs that shapes how organizational members think, feel, and behave within the workplace (Robbins and Judge, 2019; Hartini et al., 2021). Organizational culture is the shared set of perceptions held by members of an organization that distinguishes one organization from another. This culture is manifested through symbols, rituals, and everyday practices that consistently shape the organization's identity and influence how members think, behave, and act within their work

environment (Schein, 2010; Marzuki et al., 2022) explains that organizational culture consists of three layers, namely artifacts, espoused values, and basic underlying assumptions that shape organizational behavior. Furthermore, (Denison, 1990; Latief et al., 2024) emphasized that a strong organizational culture is positively correlated with organizational performance, because it creates behavioural consistency, enhances employee commitment, and strengthens internal coordination, which ultimately drives overall organizational effectiveness and competitive advantage.

H5: Organizational Culture on Performance

H6: Organizational Culture on Employee Loyalty Mediating Performance

2.7 Career Development towards Performance

Career development is an ongoing process that involves planning and managing an individual's professional trajectory within an organization (Dessler, 2020; Hasan et al., 2023). Career development is a series of activities designed to help employees understand their abilities, interests, and values to align individual competencies with organizational needs. This process includes education, training, job rotation, and mentoring that systematically enhance employees' capabilities in facing increasingly complex work challenges (Rivai and Sagala, 2013; Dinsar et al., 2023) emphasized that career development is not only beneficial for individuals but also contributes significantly to the overall productivity of the organization. In line with this, (Mathis and Jackson, 2011; Ajis; et al., 2024) suggests that organizations that pay serious attention to their employees' career development tend to have higher retention rates, stronger work motivation, and more optimal and sustainable organizational performance.

H7: Career Development on Employee Performance

H8: Career Development on Employee Loyalty Mediating Performance

2.8 Competence Against Performance

Competence can be understood as a combination of knowledge, skills, and attitudes that enables an individual to perform job duties and responsibilities effectively within a specific organizational context. According to (Spencer and Spencer, 1993; Kurniawan & Kusumawardani, 2024) Competence is defined as a person's basic characteristics that have a causal relationship with criteria for effectiveness and performance excellence in a job. Competence encompasses intellectual, emotional, and behavioural dimensions that integratively shape an individual's capacity to produce superior performance in a dynamic and competitive work environment.

(Wibowo, 2016; Sari & Aji, 2020) explains that competency consists of core competencies, functional competencies, and behavioural competencies, which complement one another in shaping employee professionalism. In line with this, (Hutapea and Thoha, 2008; Putri et al., 2021) Emphasises that structured competency development directly enhances both individual and organizational performance, as competent employees are better able to adapt to change, solve problems effectively, and generate high-quality, measurable work outputs.

H9: Competence on Employee Performance

H10: Competence on Performance mediates Employee Loyalty

3. Methodology

This study employs a quantitative research method with a correlational design to generate empirical evidence by testing hypotheses and addressing research questions related to the problem under investigation (Sugiyono, 2022). Data collection techniques included

observation, questionnaires, interviews, and documentation, which were used to identify the elements, characteristics, and nature of the phenomena under study. The main stages of the research consisted of data collection, data analysis, and interpretation.

The population in this study comprised employees of PT PLN (Persero) South Sulawesi. The exact population size could not be determined due to limited access to comprehensive data on the total number of employees. Consequently, the study employed a non-probability sampling technique, namely purposive sampling. Respondents were selected based on the following criteria: (1) working in one of three rayons of PT PLN South Sulawesi, (2) having an employment status as an executive or permanent employee, and (3) possessing at least one year of work experience. A total of 92 employees participated as respondents in this study.

4. Result and Discussion

4.1 Result

4.1.1. Description of Research Findings

Respondent characteristics were analyzed to provide a general overview of the employee profiles and to establish the context for interpreting the research findings. The aspects examined included gender, age, and education level, as these were considered relevant for explaining variations in perceptions of organizational culture, career development, competence, loyalty, and employee performance. This analysis served as a descriptive foundation for understanding the respondents' social and organizational conditions prior to examining the relationships among the research variables.

Table 1. Respondent Characteristics

No	Characteristics	Category	Amount	Percentage
1	Gender	Man	64	70%
		Woman	28	30%
2	Age	20 – 30 years	27	29%
		31 – 40 years old	33	36%
		> 40 years	32	35%
		Senior High School	17	18%
3	Level of education	Diploma	21	23%
		Bachelor	31	34%
		Master	23	17%
		6 - 10 years	27	29%
4	Length of work	11 - 15 years	47	51%
		> 15 years	18	20%

The sample consisted of 64 male employees (70%) and 28 female employees (30%). Employees aged 20–30 years numbered 27 (29%), those aged 31–40 years totaled 33 (36%), and those over 40 years totaled 32 (35%). In terms of education, 17 employees (18%) had a senior high school qualification, 21 (23%) held a diploma, 31 (34%) held a bachelor's degree, and 23 (25%) held a master's degree. Regarding tenure, 27 employees (29%) had worked for 6–10 years, 47 (51%) for 11–15 years, and 18 (20%) for more than 15 years.

Table 2. Loading Factor Estimation Results

Variable Indicator	Loading Factor	Critical Ratio	Probability (p)	Information
Organizational Culture (X₁)				
X _{1.1}	0.667	5,803	0.000	Significant

X _{1.2}	0.744	7,163	0.000	Significant
X _{1.3}	0.616	5,232	0.000	Significant
X _{1.4}	0.706	5,177	0.000	Significant
X _{1.5}	0.592	Fix	0.000	Significant
Career Development (X₂)				
X _{2.1}	0.677	7,156	0.000	Significant
X _{2.2}	0.781	7,832	0.000	Significant
X _{2.3}	0.662	9,077	0.000	Significant
X _{2.4}	0.804	8,301	0.000	Significant
X _{2.5}	0.776	Fix	0.000	Significant
Competence (X₃)				
X _{3.1}	0.749	6,632	0.000	Significant
X _{3.2}	0.818	15,532	0.000	Significant
X _{3.3}	0.583	5,876	0.000	Significant
X _{3.4}	0.683	6,731	0.000	Significant
X _{3.5}	0.778	Fix	0.000	Significant
Employee Loyalty (Z)				
Z ₁	0.891	Fix	0.000	Significant
Z ₂	0.773	11,830	0.000	Significant
Z ₃	0.742	10,639	0.000	Significant
Z ₄	0.751	10,987	0.000	Significant
Z ₅	0.751	11,804	0.000	Significant
Z ₆	0.911	16,582	0.000	Significant
Employee Performance (Y)				
Y ₁	0.738	Fix	0.000	Significant
Y ₂	0.601	6,941	0.000	Significant
Y ₃	0.722	13,383	0.000	Significant
Y ₄	0.718	8,016	0.000	Significant
Y ₅	0.936	10,888	0.000	Significant

Table 2 reports the results of the confirmatory factor analysis for the measurement model, including factor loadings for the constructs of organizational culture, career development, competence, employee loyalty, and employee performance. All indicators load significantly and substantively on their intended latent variables, supporting the convergent validity of the measurement model and justifying the inclusion of all indicators in the subsequent SEM analysis.

Table 3. Goodness of Fit Index Value for Research Hypothesis Testing (Initial Model)

No.	GOF	Cut of Value	Results	Decision
1.	χ^2 = Chi Square	Expected Small	1038.23	Not good
2.	pvalue	≥ 0.05	0,000	Not good
3.	RMSEA	≤ 0.08	0.128	Not good
4.	GFI	≥ 0.90	0.700	Not good
5.	AGFI	≥ 0.90	0.635	Not good
6.	CminDF	≤ 2	3,593	Not good
7.	TLI	≥ 0.95	0.733	Not good
8.	CFI	≥ 0.95	0.763	Not good

In the initial SEM estimation, none of the eight goodness-of-fit indices reached acceptable levels, indicating that the model did not adequately fit the data. Therefore, guided by the modification indices and without changing the substantive relationships among variables, several error terms were correlated to improve model fit.

Table 4. Goodness Fit Index Value for Research Hypothesis Testing (Final Model)

No.	GOF	Cut of Value	Results	Decision
1.	χ^2 = Chi Square	Expected Small	204,764	Good
2.	pvalue	≥ 0.05	0.061	Good
3.	RMSEA	≤ 0.08	0.033	Good
4.	GFI	≥ 0.90	0.917	Good
5.	AGFI	≥ 0.90	0.833	Marginal
6.	Cmin DF	≤ 2	1,170	Good
7.	TLI	≥ 0.95	0.983	Good
8.	CFI	≥ 0.95	0.991	Good

Table 4 shows that seven goodness-of-fit indices chi-square p-value, RMSEA, GFI, NFI, TLI, CFI, and CMIN/DF indicate an acceptable model fit, as their values meet or exceed the commonly recommended cut-off thresholds. Since several indices demonstrate a satisfactory fit, the final model is considered adequate for subsequent hypothesis testing using SEM.

Hypothesis testing was conducted using structural equation modeling (SEM) to estimate the extent to which changes in the independent (predictor) variables are associated with changes in the dependent (criterion) variables. The level of statistical significance was set at 5% ($\alpha = 0.05$), such that a hypothesis was accepted when the p-value was less than 0.05. The detailed results of the hypothesis testing are presented in the following table:

Table 5. Hypothesis Testing

Hypothesis	Variables			Direct	Indirect	Total	P-Value	Information
	Independent	Intervening	Dependent					
1	X ₁	-	Y	0.384	-	0.384	0.001	Significant
2	X ₂	-	Y	0.342	-	0,342	0.005	Significant
3	X ₃	-	Y	0.518	-	0.518	0,000	Significant

4	-	Z	Y	0.44 6	-	0.44 6	0,00 0	Significant
5	X ₁	Z	-	0.43 4	-	0.43 4	0,00 0	Significant
6	X ₂	Z		0.33 5	-	0.33 5	0.00 3	Significant
7	X ₃	Z		0.28 8	-	0.28 8	0.00 2	Significant
8	X ₁	Z	Y	0.43 4	0.159	0.59 3	0.01 0	Significant
9	X ₂	Z	Y	0.33 5	0.162	0.49 7	0.03 3	Significant
10	X ₃	Z	Y	0.28 8	0.188	0.47 6	0.00 6	Significant

Based on the results of the hypothesis testing, this study yields comprehensive and internally consistent findings regarding the dynamics of the relationships among the variables examined. Organizational culture, career development, and competence each have a positive and significant effect on employee loyalty, as indicated by p-values below 0.05, showing that these three exogenous variables jointly form a strong psychological foundation for the development of employee loyalty at PT PLN (Persero) South Sulawesi. Furthermore, employee loyalty has a positive and significant effect on employee performance, confirming its role as a mediating variable that not only serves as an intermediary, but actively strengthens the transformation of organizational conditions into measurable work outcomes. The results of the indirect effect analysis further reinforce this conclusion, showing that organizational culture, career development, and competence have indirect effects on employee performance through loyalty of 0.159, 0.162, and 0.188, respectively. Although these coefficients are statistically moderate, they carry substantial substantive implications, indicating that much of the influence of the exogenous variables on performance operates through indirect pathways rather than purely direct effects. This demonstrates that the structural model developed in this study is capable of capturing the complexity of psychological and organizational processes that ultimately enhance employee performance.

The interpretation of these findings shows that all mediation paths are statistically significant, indicating that employee loyalty is not a passive mediating variable, but an active construct with transformative power in linking organizational conditions to individual performance. The mediating role of loyalty can be categorized as partial mediation, given that the direct effects of several exogenous variables on performance remain significant, albeit with smaller coefficients than the indirect effects. Statistically, the findings confirm that the research model exhibits strong construct validity and explains employee performance more comprehensively than simpler models that consider only direct effects. Methodologically, this study makes an important contribution by strengthening the application of mediation analysis within a structural equation modeling framework as an appropriate analytical approach to explain the value and mechanisms of relationships among variables in the context of human resource management research at PT PLN (Persero) South Sulawesi.

4.2 Discussion

This study yields theoretically and empirically significant insights into the complexity of the determinants of employee performance in state-owned enterprises (BUMN), particularly PT

PLN (Persero). The hypothesis testing results show that organizational culture, career development, and competence all play significant roles in shaping employee performance, although their patterns of influence differ. Organizational culture is found to have a significant impact on employee performance that operates entirely through the mediating mechanism of employee loyalty (full mediation). This finding is consistent with prior theoretical perspectives which posit that organizational culture primarily shapes performance indirectly by influencing employees' attitudes, affective attachment, and commitment to the organization (Schein's, 2010; Hasan et al., 2023) which emphasizes that organizational culture functions more as a contextual factor that shapes employees' perceptions, attitudes, and emotional attachment to the organization, rather than as a direct driver of measurable performance outcomes. In other words, organizational culture operates in a latent yet powerful way by building a foundation of loyalty that, in turn, enhances and sustains employee performance over time (Wondim et al., 2000; Glazer & Kruse, 2008).

Unlike organizational culture, career development and competency exhibit both direct and indirect effects on employee performance, forming a more complex partial mediation pattern. Career development functions as an operational factor that directly enhances efficiency, communication effectiveness, and the quality of employees' work output, while competency acts as a psychological factor that sustains employees' consistency, dedication, and motivation in achieving organizational goals (Pham et al., 2010; Wau & Purwanto, 2021). This finding reinforces the view that the success of organizational transformation at PT PLN (Persero) does not depend solely on the technical quality of career development program implementation, but also on the organization's ability to build an adaptive cultural ecosystem and strong employee loyalty as the psychological infrastructure that supports the entire transformation process. Without these two elements, career development initiatives risk failing to generate optimal and sustainable performance improvements (Fernandes et al., 2009; Uki Yonda Aseptia, 2017). Overall, this study makes an important contribution to the field of human resource management by underscoring that employee performance in an era of organizational transformation is the result of a complex interaction among structural, cultural, and psychological factors, rather than a simple linear relationship. At the same time, the limitations of the cross-sectional research design and the relatively limited sample size should be carefully considered, as they open up opportunities for future studies with broader and more representative scopes to further validate and extend these findings (Zhang et al., 2013; Saklit, 2017).

5. Conclusion and Suggestion

Based on the research results, it can be concluded that organizational culture, career development, and competency play a significant role in strengthening employee loyalty. Furthermore, these three variables also have a positive and significant influence on employee performance, both through direct effects and through indirect effects mediated by employee loyalty. Thus, employee loyalty acts as an important mediating construct that amplifies the influence of organizational culture, career development, and competency on employee performance. In other words, efforts to improve performance will be more effective if they are carried out simultaneously through cultural strengthening, structured career development, competency enhancement, and loyalty building, rather than through partial or isolated programs.

In line with these findings, companies are advised to strengthen the implementation of organizational culture that is based on integrity, mutual trust, concern among employees, and an appreciative attitude toward performance and contributions. This cultural reinforcement needs to be translated into concrete practices, such as fair treatment, open communication, and recognition systems that are perceived as transparent and just by employees. In addition, employee career development should be managed with high transparency, clear career paths, and objective criteria so that employees can see realistic opportunities for advancement in the organization. Competency development also needs to be continuously enhanced, particularly in the aspects of knowledge and understanding of technology that are relevant to current and future business demands, so that employees are better prepared to support performance improvements in the era of digitalization and organizational transformation

6. Limitations and Future Research

Further research should broaden and deepen the model developed in this study by expanding both methods and variables. Mixed-method designs that combine quantitative analysis with in-depth qualitative interviews are particularly promising, as they can capture psychological nuances and underlying mechanisms that are not fully visible through numerical data alone. In addition, extending the sample to cover more diverse units and sectors within PT PLN (Persero), as well as incorporating moderating variables such as transformational leadership style or organizational climate, has the potential to produce a more comprehensive explanatory model with stronger practical relevance for human resource management in state-owned enterprises.

Declaration of AI and AI-assisted technologies in the writing process (if author[s] utilize AI)

The authors used generative artificial intelligence tools to support the scientific writing process. Specifically, Claude and ChatGPT were employed to check grammar, refine the writing style, and improve the clarity of the manuscript. All interpretations, analyses, and conclusions presented in this study remain entirely the responsibility of the authors.

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