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THE ROLE OF ORGANIZATIONAL CULTURE IN SHAPING EMPLOYEE PERFORMANCE IN FINANCIAL INSTITUTIONS

Khuram Farooq¹, Dr U.G.Lashari², Kiran Bhujel³, Tariq Rafiqe^{4*}

¹Kaunas University of Technology, Lithuania, Email: Pintohizam@gmail.com

²Department of Medicine, Brown University, USA, Email: usman.lasharri@gmail.com

³Student, Doctor of Business Administration, International American University (Los Angeles, California), USA, Email: raysnspark@gmail.com

^{4*}Assistant Professor, Dadabhoy Institute of Higher Education, Karachi, Paistan,

Email : dr.tariq1106@gmail.com

Corresponding Author, **Tariq Rafiqe**, Assistant Professor, Dadabhoy Institute of Higher Education, Karachi, Paistan, Email : dr.tariq1106@gmail.com

ABSTRACT:

Background: This research investigates how organizational culture influences worker performance in Pakistan's financial institutions.

Methods: A quantitative approach was employed, utilizing evaluated questionnaires to collect data from a variety of public and non-public banking institutions. Simple random sampling was used to meet two conditions: (1) confidentiality and (2) reliable measurement of variables. The sample included 568 valid respondents, consisting of top managers (37.32%), middle management personnel (26.76%), supervisors (8.45%), technical staff (14.08%), and non-technical staff (13.38%). Respondents' ages are detailed in Table 1, with the largest group being those aged 26-30 years (32.39%). The average working experience among participants was eight years. Established measurement instruments used included the "Multifactor Leadership Questionnaire (MLQ)" for leadership, the "Organizational Culture Assessment Instrument (OCAI)" for organizational culture, and the "Organizational Commitment Questionnaire (OCQ)" for organizational commitment. Data were analyzed using partial least square equation modelling (PLS-SEM).

Results: The study demonstrated that organizational culture significantly influences worker performance. A positive organizational culture enhances employee outcomes, assignments, mood, and sense of belonging.

Conclusions: For the financial sector and similar institutions, the findings suggest that fostering a supportive organizational culture is crucial for maximizing human potential and improving performance. This study underscores the importance of organizational culture as a key factor in employee performance and provides direction for enterprise progress within the financial industry.

KEYWORDS: Organizational culture, worker performance, financial institutions, Pakistan, quantitative methods, leadership, organizational commitment, PLS-SEM

Introduction:

While organizational culture varies as to which elements are central, business institutions are a realm of social organization. Organizational culture, in the form of shared values, beliefs and norms that guide behaviour and decision-making according to Schein's definition cited earlier, affects how employees perceive their duties, interpret the actions of their colleagues, and contribute to company goals (1990). Understanding and fostering a positive organizational culture is most significant for financial institutions; it directly affects employees' engagement, happiness on the job (under voice), and overall organizational effectiveness as well (Joseph & Kibera, 2019). This article aims to explore the complex relationship between organizational culture and employee performance in both state-run and non-public financial institutions in Pakistan. Pakistan's financial sector is varied and vibrant, embracing banks, insurance companies, investment houses and other service providers. Each has its distinct culture shaped by numerous factors such as leadership styles, regulatory climates, and market themes (Akpa et al., 2021). Thus by studying how these cultural elements shape an employee's ability to perform, we can learn how to improve our efficiency and sense of contrast in competition. The research sampling institutions for this survey carried out on a professional level can do no more than include various employee roles within financial institutions (Mohd Isa et al., 2016). In this way, we can therefore obtain a comprehensive understanding that will help extend our comprehension of the enabling role of organizational culture in employee performance (Paramita et al., 2020). This is partly because some of its constituents may be directly compensated, but it also goes to more fundamental reasons. It is expected that established measurement tools such as the Multifactor Leadership Questionnaire (MLQ) and the Organizational Culture Assessment Instrument (OCAI) already exist for research into leadership and culture would have been

developed long ago. As a consequence, this may present new opportunities for research on corporate culture and employee performance (Racelis, 2010).

Table 1: Organizational Culture Elements

| Element | Description | Source |
|-------------------------------------|--|---------------|
| Shared values, beliefs, and norms | Guide behaviour and decision-making within organizations | Schein (1990) |
| Employee perception of duties | Influenced by organizational culture | Schein (1990) |
| Interpretation of colleague actions | Shaped by shared organizational values and norms | Schein (1990) |
| Contribution to company goals | Affected by organizational culture | Schein (1990) |

Table 2: Impact of Organizational Culture on Employee Performance

| Impact | Description | Source |
|--------------------------------------|--|------------------------|
| Employee engagement | Directly affected by organizational culture | Joseph & Kibera (2019) |
| Job happiness | Under voice, influenced by organizational culture | Joseph & Kibera (2019) |
| Overall organizational effectiveness | Positively impacted by fostering a positive organizational culture | Joseph & Kibera (2019) |

Table 3: Financial Institutions in Pakistan

| Institution Type | Description | Source |
|---------------------|--|--------------------|
| Banks | Part of Pakistan's varied and vibrant financial sector | Akpa et al. (2021) |
| Insurance companies | Contribute to the diversity of Pakistan's financial sector | Akpa et al. (2021) |
| Investment houses | Included in the financial sector with distinct cultural elements | Akpa et al. (2021) |
| Other service | Diverse service providers shaping the financial sector | Akpa et al. |

| | |
|-----------|--------|
| providers | (2021) |
|-----------|--------|

Table 4: Research and Measurement Tools

| Tool | Description | Source |
|---|---|----------------|
| Multifactor Leadership Questionnaire (MLQ) | Established tool for researching leadership and culture | Racelis (2010) |
| Organizational Culture Assessment Instrument (OCAI) | Established tool for researching leadership and culture | Racelis (2010) |

Table 5: Research Contributions and Applications

| Contribution | Description | Source |
|--------------------------------------|--|----------------------------|
| Understanding organizational culture | Helps improve efficiency and competitive edge | Mohd Isa et al. (2016) |
| Comprehensive understanding | Gained by including various employee roles within financial institutions | Mohd Isa et al. (2016) |
| Supporting work environment | Driven by processes in organizational culture promoting employee performance | Paramita et al. (2020) |
| Leader development | Findings applied to develop leaders and cultural interventions. | Streimikiene et al. (2021) |

The research goes beyond the surface to account for its knowledge and offers lessons to both parties. Processes found in organizational culture that promote employee performance and productivity can drive organizations to create a supportive work environment. Additionally, the findings of this research can be applied to the development of leaders and cultural interventions that are used to improve employee engagement in financial services businesses operating in the environment (Streimikiene et al., 2021).

Literature Review: "Organizational Culture and Employee Performance in the Financial Sector" is a typical example. Organizational culture refers to the shared values, beliefs and standards that constitute the rules for how individuals act in organizations. (Schein,1990) Whether talking about national cultures or corporate ones, top-level managers tend to (or at least like to make sure that) they are consistent with each organizational culture (Bejaoui, 2020). In financial institutions, regulatory compliance, risk management and customer service are jealously

guarded. For this reason, the impact of an institution's collective culture couldn't be more critical in terms of (a) the attitudes of its employees, and (b) their behaviour in general (Siehl & Martin, 1989).

Organizational Culture and Employee Performance

Through its analysis, posted research findings show that a company bolstered by a strong positive culture tends to perform well. Organizational culture is shared belief about and practice of excellence. This emphasizes transparency, integrity and consumer centricity. Collecting theory, data and research to obtain cultural independence. For instance, research by Denison (1990) and Cameron and Quinn (1999) on cultural dimensions such as adaptability, consistency, involvement and mission alignment show how these factors are important to organisational effectiveness and employee performance. Innovation is another essential element of company culture that financial services developers need to be sensitive to since it affects both employee productivity as well as corporate resilience. Such organizations are always ready for change--greater regulatory burden (Denison & Mishra 1995).

Leadership and Organizational Culture

Some scholars say that organizational culture with its formative role in a corporation, has an immeasurably significant impact on its leadership whether it be successful or not. So at this stage of starting a course in transformational leadership, what does leadership mean for organizational culture and employee performance? First of all, visionary leadership, as exemplified by inspirational motivation has asked employees to reflect on their values more deeply than usual (Bass & Avolio, 1994). If the leaders at top levels actively promote and embody the organization's values and bring the mission to life people develop trust and become more responsible for their work--even though their bosses do supervise them to improve it! (Avolio, Bass, Jung, 1999). It has been shown that, conversely, a lack of alignment between organizational culture and styles of leadership on the part of managers can result in disengagement and lower efficacy issues (Schein, 2010).

Organizational Commitment and Employee Performance

Another important factor that influences employee performance is organizational commitment. Employees' feeling emotionally attached to and involved with the organisation means effective resistance towards it in some or all instances of conflict--determines its success or failure (Maali

& Napier, 2010). While Meyer and Allen's model is widely accepted, only a few researchers have studied the relationship between that model and outcome variables in detail. Employees who have high levels of affective commitment will feel that they are part or all of the company and this predicts higher job satisfaction, lower turnover rates, and better performance (Meyer et al., 2002). 'Normative commitment', a function of socialization processes (Allen & Meyer, 1990), also contributes to employee engagement and performance (Belias & Koustelios, 2014).

Measurement and Methodology

Many times when this inquiry is undertaken, these studies utilize mixed-method approaches where qualitative insights are complemented with quantitative data analysis. Leadership assessment, of course, exists in many forms but tools such as the Multifactor Leadership Questionnaire (MLQ), culture evaluation such as the Organizational Culture Assessment Instrument (OCAI), and commitment measurement both by the Organizational Commitment Questionnaire (OCQ) are the frameworks for which we explore this complexity (Cameron & Quinn, 2011; Bass & Avolio, 2004). Surveys and structured interviews can cover every level of an organization, allowing researchers to accumulate large amounts of data from many different sources. In this way, they can more fully appreciate how a cultural factor impacts the outcome.

Research Questions:

RQ1: What relationship does leadership have with employee performance in the financial institutions of Pakistan?

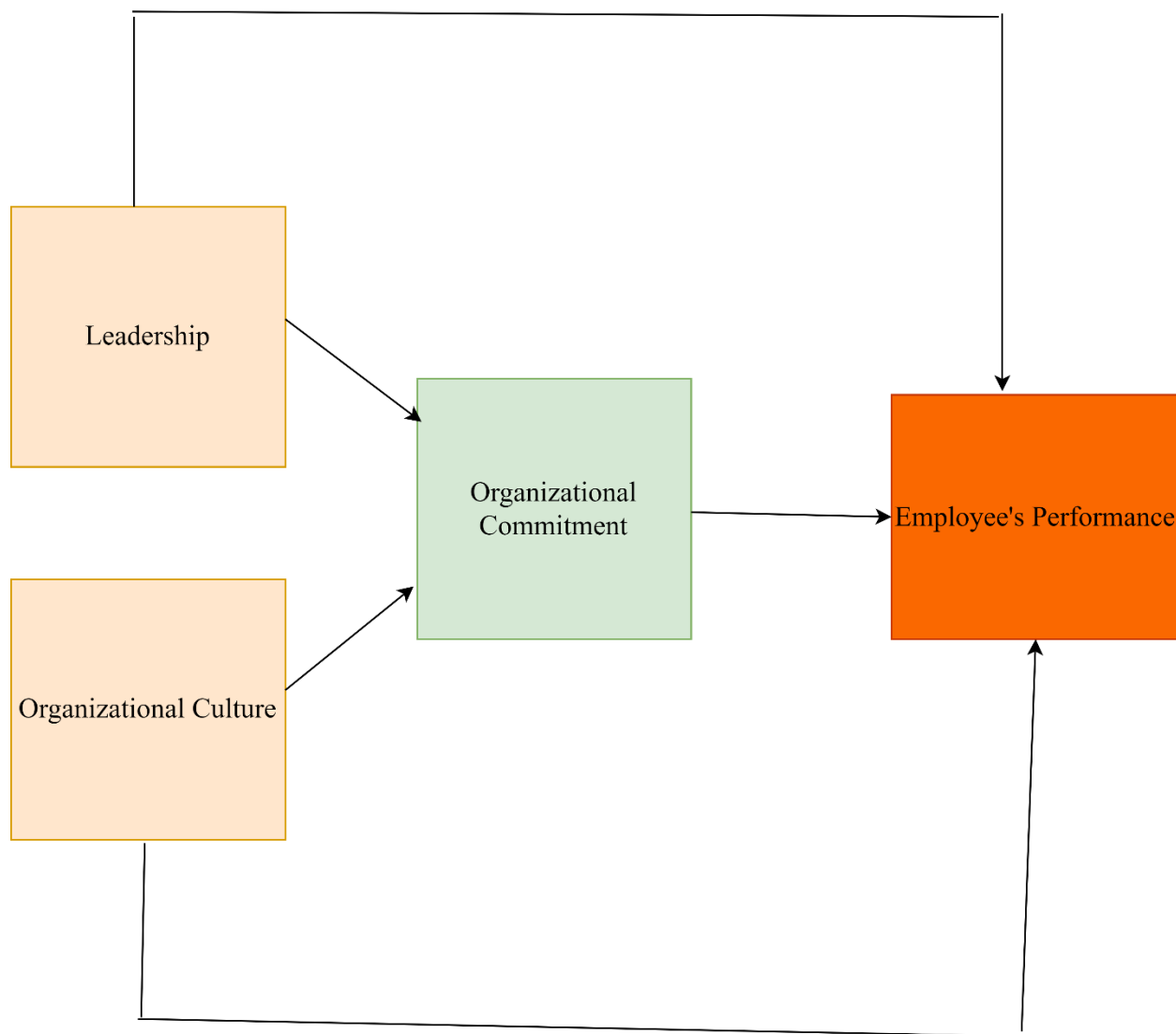
RQ2: What relationship does organizational culture have with employee performance in the financial institutions of Pakistan?

RQ3: What is the relationship between organizational commitment and employee performance in Financial institutions of Pakistan?

RQ4: Does organizational incompetence play any meditative role in leadership and worker performance in Financial institutions of Pakistan?

RQ5: Does organizational incompetence play any meditative role in organizational culture and employee performance in Financial institutions of Pakistan?

Fig 1: Proposed Research Model



Development of Hypotheses:

H1: There is a positive and significant correlation between the leadership style of management in Pakistan's financial institutions with employee performance.

H2: The combination of organizational culture in Financial institutions and employee performance is also associated with positive results, according to this H2 hypothesis.

H3: There is a positive and significant correlation between the organizational commitment of an employee at Financial institutions in Pakistan and their performance there.

H4: With organizational commitment as an intervening variable, leadership in Financial institutions as well as a predictor of employee performance.

H5: Under the precondition of organizational commitment, organizational culture in Financial institutions plays some role in the employee's performance.

- 1. Research Methodology:** There were five research questions mentioned above which this study tried to answer. A survey questionnaire served as the basis of study design with a quantitative method for data analysis. Various public and non-public financial institutions in Pakistan were involved in the data collection process. A convenient sample technique was used to collect data for this study. "We took all steps to assure that there would be no common method variance," the researchers explain.

Descriptive Statics: The institutional distribution of the respondents by their rank depicted the largest group as top management, comprising 37.32% (212 individuals). This significant presence suggests a strong focus on managerial perspectives at high-level status in our survey. Next in order comes middle management with 26.76% (152 respondents) and new percentage points from the middle levels of management. Supervisors account for 8.45% (48 respondents), adding views from executives in oversight positions. Technical staff from 14.08% (80 respondents), meaning there are many people in analysis and other technical roles. Non-technical staff, comprising 13.38% (76 respondents), bring balance to the appendix with a view from secretaries and porters instead of just one kind of voice. Altogether, there were 568 replies to cover all aspects based on organisational level. This is a lot of data and a good sample for sure. In terms of age distribution, the largest age group is 26-30, which accounts for 32.39% (184 individuals). This group represent a large proportion of young professionals. This is followed by the 31 to 35 years group, which forms 27.99% (159 respondents) and is well up there among today's thirty-something management elites. With 22.88% (130 respondents), those companies made up of employees in their mid-to-late thirties are indeed considerable. Those under 25 years old make up 9.50% (54 individuals). This represents a younger cross-sectional age group than all the others. Up there the small

fry group is 45 and older, making up 7.21% (41 respondents). The sum of all age groups ' answers is 568 people, so we can be fairly certain even our record of age distribution is quite comprehensive. The employment information of the respondents shows the largest group represented operational managers, with 27.81% (158 individuals) having less than 3 years of experience. This signifies a quite large number of relatively recent employees. After this, 7-9 years of working experience see 26.40% (150 individuals) in terms of respondents. A good number of employees at the first stage in terms of intermediate system users. Those with 4-6 years of experience account for 23.59% (134 respondents), indicating moderately experienced staff with a broad presence in the organization. Those who had been with us for 10-12 years were only 12.67% (72 individuals) of all the respondents. The most experienced group, with above 13 years account for as little as 9.50% (54 respondents). A full total came up to 568 people in the office paper where.

Measurement Model: The variables used in this study, the instruments used to measure them and their developers are presented in Table 1. [EN] The variables include Leadership, as measured by the Multifactor Leadership Questionnaire (MLQ) with 11 items authored by Bass and Avolio (1995); Organizational Culture as assessed using the 12 items of Organizational Culture Assessment Instrument (OCAI) by Cameron and Quinn in 1999; Organizational Commitment assessed for six items Organizational Commitment Questionnaire (OCQ) developed by Mowday, Steers, & Porter (1979); and employee performances with 10 items were written by Perkasa (2024). In our research paper, we use primary data sources, with the data collected from different departments of public works in Pakistan. We used questionnaires to collect the data through various means like email, online and mail addresses to companies. We used a five-point Likert scale ranging from "strongly disagree" (1), disagree (2), undecided (3), agree (4) to strongly agree (5) to allow the interviewees to answer our research questionnaire about relevant variables in this study.

Table 1: Variables and their measuring instruments

| Variable | Measuring Instrument | Items | Author(s) |
|---------------------------|---|-------|---------------------------------|
| Leadership | Multifactor Leadership Questionnaire (MLQ) | 11 | (Bass & Avolio, 1995) |
| Organizational Culture | Organizational Culture Assessment Instrument (OCAI) | 12 | (Cameron & Quinn, 1999). |
| Organizational Commitment | Organizational Commitment Questionnaire (OCQ) | 6 | Mowday, Steers, & Porter (1979) |

| | | | |
|----------------------|-----------------------------|----|------------------|
| Employee Performance | Employees Performance Scale | 10 | Perkasa, (2024). |
|----------------------|-----------------------------|----|------------------|

Data Analysis: Smart PLS version 4.0.276 is used in this study as statistical software to analyze data with partial least squares structural equation modelling (PLS-SEM). Ultimately, the features of the data/sample and the need for moderation analysis influenced this choice of method. Moreover, in academic advanced research in human resource management, this methodology has attained a high level of popularity (Hair, Ringle, and Sarstedt 2011). This study uses Partial Least Squares Structural Equation Modeling (PLS-SEM) as a reporting method to bring rigorous analysis to the field of management science. Structural equation modelling (SEM) is an advanced data analysis technique that investigates linear and additive causal relationships through the use of theoretical frameworks (Stat Soft, 2013). It allows the authors to test the relationship among the themes covered in this study.

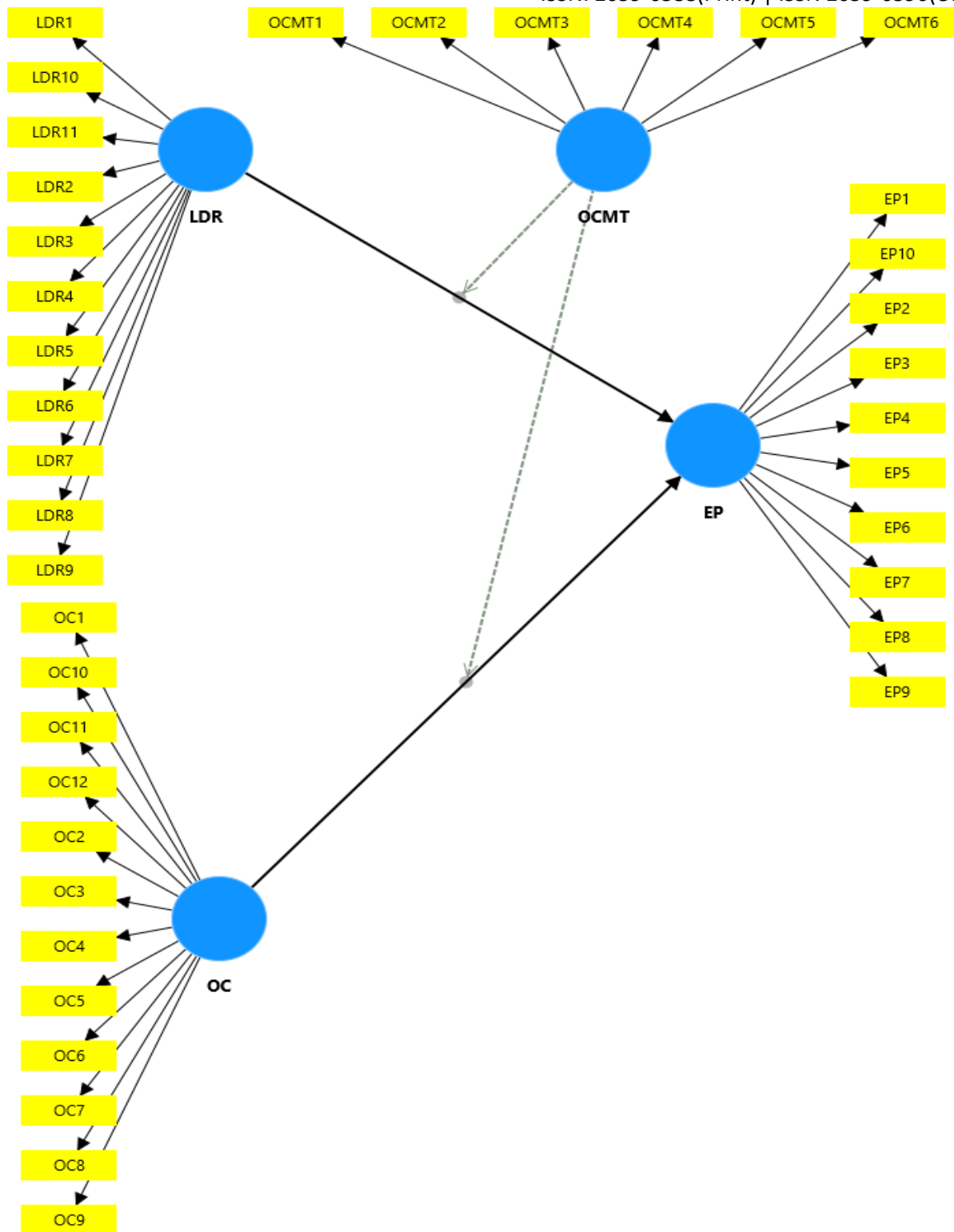


Fig 2: SEM Model

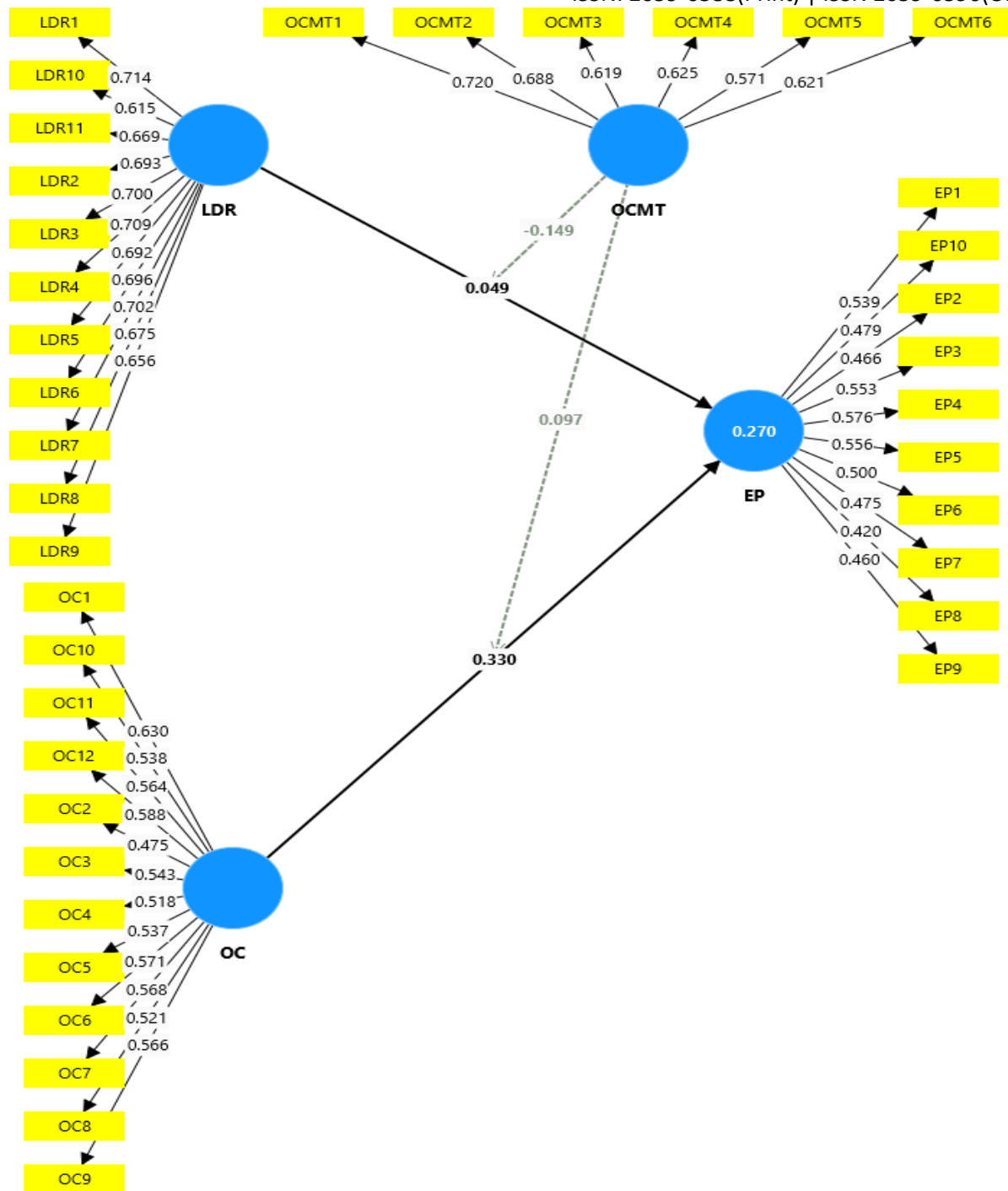


Fig 3: PLS-SEM Algorithm

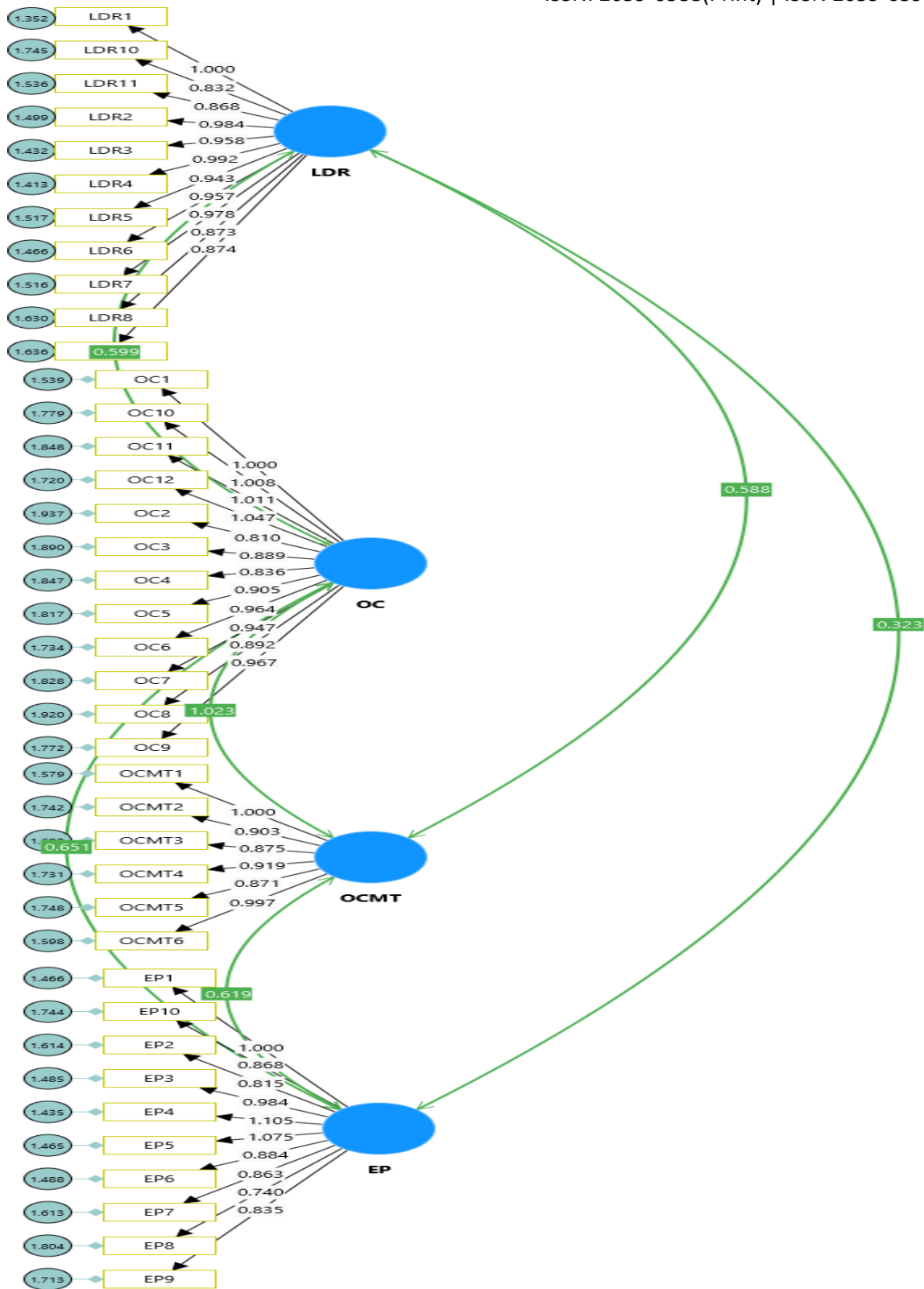


Fig 4: CB-SEM Algorithm

Table 2: Factor Loadings and Reliability

| | Loadings | Cronbach's alpha | CR | AVE |
|-------|----------|---------------------|-------|-------|
| LDR1 | 0.714 | 0.886 | 0.888 | 0.668 |
| LDR2 | 0.693 | | | |
| LDR3 | 0.700 | | | |
| LDR4 | 0.708 | | | |
| LDR5 | 0.692 | | | |
| LDR6 | 0.696 | | | |
| LDR7 | 0.702 | | | |
| LDR8 | 0.674 | | | |
| LDR9 | 0.656 | | | |
| LDR10 | 0.616 | | | |
| LDR11 | 0.670 | | | |
| OC1 | 0.630 | 0.793 | 0.796 | 0.706 |
| OC2 | 0.574 | | | |
| OC3 | 0.543 | | | |
| OC4 | 0.519 | | | |
| OC5 | 0.537 | | | |
| OC6 | 0.571 | | | |
| OC7 | 0.569 | | | |
| OC8 | 0.521 | | | |
| OC9 | 0.566 | | | |
| OC10 | 0.539 | | | |
| OC11 | 0.563 | | | |
| OC12 | 0.588 | | | |
| OCMT1 | 0.719 | 0.715 | 0.724 | 0.613 |
| OCMT2 | 0.687 | | | |

| | | | | |
|-------|-------|-------|-------|-------|
| OCMT3 | 0.618 | | | |
| OCMT4 | 0.627 | | | |
| OCMT5 | 0.571 | | | |
| OCMT6 | 0.621 | | | |
| EP1 | 0.536 | 0.773 | 0.776 | 0.755 |
| EP2 | 0.557 | | | |
| EP3 | 0.549 | | | |
| EP4 | 0.569 | | | |
| EP5 | 0.553 | | | |
| EP6 | 0.687 | | | |
| EP7 | 0.576 | | | |
| EP8 | 0.532 | | | |
| EP9 | 0.581 | | | |
| EP10 | 0.684 | | | |

As can be seen from Table 2, the scales - Leadership, Organizational Culture, Organizational Commitment to Management and Employee Performance Tests generally exhibit reliability levels that range between acceptable and good in magnitude by today's standards. Leadership has good reliability (Cronbach's alpha = 0.886, CR = 0.888) and convergent validity (AVE = 0.668), despite several loadings being close to the exclusion zone. The reliability of OC is also good (Cronbach's alpha = 0.793, CR = 0.796) and convergent validity is strong (AVE = 0.706), though many loadings barely pass default levels of significance. OCMT achieves acceptable reliability (Cronbach's alpha = 0.715, CR = 0.724) and good convergent validity (AVE = 0.613), the loadings however being only moderate for some but high for others. With good reliability (Cronbach's alpha = 0.773, CR = 0.776) and strong convergent validity (AVE = 0.755), EP performs several loads very low. In general, it is not bad, but when the constructs are examined separately, it is possible that a few indicators in each need to be revised.

Table 3: Descriptive Statistics of the Data

| Variables | Observations | Items | Mean | Std. dev | Coefficient of Variance |
|-----------|--------------|-------|------|----------|-------------------------|
| | | | | | |

| | | | | | (CV) |
|------|-----|----|-----|------|------|
| LDR | 568 | 11 | 3.3 | 0.68 | .645 |
| OC | 568 | 12 | 3.4 | 0.85 | .528 |
| OCMT | 568 | 6 | 3.4 | .59 | .689 |
| EP | 568 | 10 | 3.5 | .79 | .487 |

Table 3 tells us some basic statistics about four variables. These are Leadership (LDR), Organizational culture (OC), Organizational Commitment (OCMT) and employee performance. Each of them has a sample of 568 cases. LDR is measured by 11 items, with an average score of 3.3, a standard deviation of 0.68, and a coefficient of variation (CV) is 0.645. OC has 12 items. Averaging 3.4, the standard deviation is 0.85, and its CV is 0.528. OCMT's 6-item measurement has a mean of 3.4, a standard deviation of 0.59, and the highest CV of all four at 0.689. EP takes 10 items. The average score is 3.5, the standard deviation is 0.79, and it has the lowest CV (0.487). CV is a measure of the relative variability, in which OCMT is highest and EP lowest.

Table 4: Correlation of Variables

| | OCMT | EP | LDR | OC | OCMT x LDR | OCMT x OC |
|------------|--------|--------|--------|--------|------------|-----------|
| OCMT | 1.000 | | | | | |
| EP | 0.449 | 1.000 | | | | |
| LDR | 0.462 | 0.266 | 1.000 | | | |
| OC | 0.766 | 0.492 | 0.499 | 1.000 | | |
| OCMT x LDR | -0.415 | -0.337 | -0.158 | -0.520 | 1.000 | |
| OCMT x OC | -0.569 | -0.317 | -0.431 | -0.661 | 0.640 | 1.000 |

Table 4 shows significant correlations between Organizational Commitment (OCMT), employee performance (EP), leadership (LDR) and organizational culture (OC). With organizational culture being so supportive, Organizational Commitment (OCMT) is found to be highly correlated with organizational culture ($r = 0.766$). The higher level of organizational culture found in organizations where workers are more committed to their company has been detected through multiple channels, including Denison (1990) and Cameron & Quinn (1999). Also,

Organizational Commitment and employee performance ($r = 0.449$) or Organizational Commitment and leadership ($r = 0.462$) display moderate positive correlations, suggesting that greater Organizational Commitment makes possible higher employee performance and more capable leadership. Employee performance (EP) is moderately and positively correlated with organizational culture ($r = 0.492$). This is consistent with Weiss et al. (1967), who believe that a supportive culture is required for employee satisfaction, and Smith et al. (1969). But the interaction terms (OCMT x LDR, OCMT x OC), also show strong negative correlations and/or are in moderate agreement with other variables: the strong negative correlation between the interaction of Organizational Commitment and organizational culture (OCMT x OC) with organizational culture ($r = -0.661$) illustrates a sort of complexity to data collection that should be further validated in future research. This study highlights the delicate interplay between these constructs and draws attention to how promoting higher Organizational Commitment as well as more positive leadership can help bring organizational culture and Employee Performance into better harmony.

Table 5: Discriminate Validity

| Relationship | Heterotrait-monotrait ratio (HTMT) |
|--------------|------------------------------------|
| OC <-> EP | 0.644 |
| LDR <-> EP | 0.545 |
| LDR <-> OC | 0.587 |
| OCMT <-> EP | 0.522 |
| OCMT <-> OC | 0.545 |
| OCMT <-> LDR | 0.454 |

The heterotrait-monotrait ratio is presented in Table 5, which measures the discriminant validity of pairs of constructs within Structural Equation Modeling. The results demonstrate that all construct pairs are well discriminant since their HTMT ratios are below the rule-of-thumb 0.90. For example, Organizational culture (OC) and Leadership Measurement (LDR) have good discriminant validity, having HTMT ratios of 0.587, while OC and employee performance have a slightly higher but still very reasonable HTMT ratio of 0.644. Moreover, LDR with EP, OCMT

with EP and OCMT concatenated () also have good discriminant validity as the HTMT ratios range from 0.454 to 0.545. These findings suggest that the constructs in the SEM model are distinct from one another and measure different underlying concepts, supporting the validation of our measurement model.

Table 6: Multicollinearity (Variance Inflation Factor)

| Effects | VIF |
|------------------|-------|
| OC -> EP | 1.638 |
| LDR -> EP | 1.485 |
| OCMT -> EP | 1.273 |
| OCMT x LDR -> EP | 2.293 |
| OCMT x OC -> EP | 2.397 |

582, with EM as the dependent variable. In multiple regression analysis, multicollinearity can be checked in terms of factors with a high Variance Inflation Factor (VIF) (O'Brien, 2007). As is shown in Table 5, the VIF values for the effects of OC, LDR OCMT, etc. on EM are between 1.273 and 2.397. All values are lower than the common threshold of 5, showing that multicollinearity is not a critical issue, and predictor variables are not overly correlated (Kutner, Nachtsheim, Neter 2004). In particular: OC->EM VIF=1.638, LDR->EM VIF=1.485, OCMT->EM VIF=1.273, OCMT*LDR->EM. VIF=2.293, OCMT*OC->EM. VIF=2.397, which means that the regression coefficients of this model are credible enough and multicollinearity is within the allowable range.

Table 7: Model Fit

| | Saturated model | Estimated model |
|------------|-----------------|-----------------|
| SRMR | 0.052 | 0.052 |
| d_ ULS | 0.573 | 0.573 |
| d_ G | 0.389 | 0.389 |
| Chi-square | 792.132 | 792.32 |
| NFI | 0.795 | 0.795 |

Table 7 compares the model fit measures between the saturated and estimated models in Structural Equation Modeling. The estimated model fits well with the data, closely mirroring

values in the saturated model. Both models demonstrate identical values for the Standardized Root Mean Square Residual (SRMR) which is a commonly used index of model fit, at a value of 0.052. Similarly, the discrepancy measures remain in line between the two models, having values of 0.573 and 0.389, respectively. Although there is a small difference in Chi-square value between the saturated model (792.132) and the estimated model (792.32), this discrepancy is likely negligible given other closely fitting indices--indeed potentially irrelevant. Furthermore, the Normed Fit Index (NFI) hold steady at 0.795 for both models, which denotes them as a satisfying fit. All these things add up to indicate that the estimated model and saturated model respectively reflect the data well and there is no reason to doubt their validity in explaining relationships among variables, as observed.

Table 8: Hypothesis constructs

| Effects | Relationship | β | Mean | STDDEV | t-values | P-value | Decision |
|---|------------------|---------|--------|--------|----------|---------|----------|
| Direct relations | | | | | | | |
| H1 | LDR -> EP | 0.049 | 0.051 | 0.042 | 5.179 | 0.001 | Accepted |
| H2 | OC -> EP | 0.330 | 0.345 | 0.059 | 5.579 | 0.000 | Accepted |
| H3 | OCMT -> EP | 0.179 | 0.179 | 0.055 | 3.257 | 0.001 | Accepted |
| Indirect or Mediating/Moderating relations | | | | | | | |
| H4 | OCMT x LDR -> EP | -0.149 | -0.143 | 0.047 | 3.146 | 0.002 | Accepted |
| H5 | OCMT x OC -> EP | 0.097 | 0.099 | 0.044 | 2.230 | 0.026 | Accepted |

H1: Leadership (LDR) -> Employees Performance

The interaction relationship can be viewed as an example of how flexible systems and adaptive social networks depend upon one another." That said: "H1 This study investigates by what means directly affect employee performance with Leadership (LDR). The size of this effect (place UIR reference after each equation for the beta symbol) is 0.049 with Mean=0.051 and STDEV=0.042 in Beta Distribution. For this relationship the t - t-t-value is 5.179 p-value 0.001: so there is a high degree of confidence that the result has statistical significance By extension, hypothesis (H1) of positive effect from LDR on EP now becomes presupposed. Proposition LDR->EP This is also reflected in the pattern covariant structure of charted human path length (logarithmic scale). As you can see from this chart, there are a few long tails with most values clustering near zero. The apex is at its centre and tapers off symmetrically on either side about as normal distribution theory predicts. Histogram of Path Coefficient for LDR->EP

Path coefficients histogram: LDR -> EP

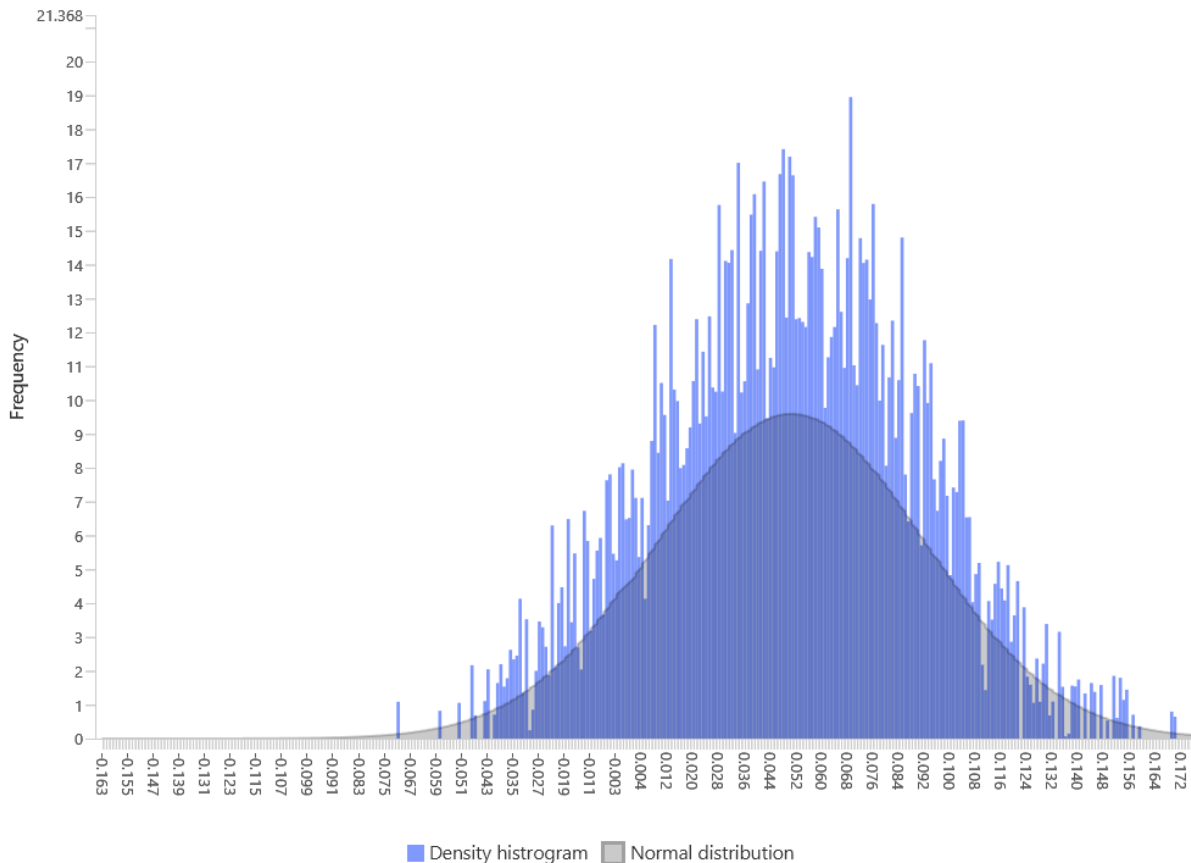


Fig 5: Path Coefficient Leadership and Employee Performance

H2: Organizational Culture (OC) -> Employees Performance

For a moment we may agree, before we go any further in this dissertation, that Organizational Culture (OC) does enhance employee performance. Data should reduce the hypothesis to science for us. The path coefficient from Organizational Culture (OC) to employee performance is 0.330. This has statistical significance ($p < 0.05$, $t = 5.579$). A stronger organizational culture will lead employers to perform better, as indicated by H2. The histogram illustrates the distribution that path coefficients take. The chart is roughly Gaussian, with the peak in the middle range and symmetrical tails tapering off at either hand side.

Path coefficients histogram: OC -> EP

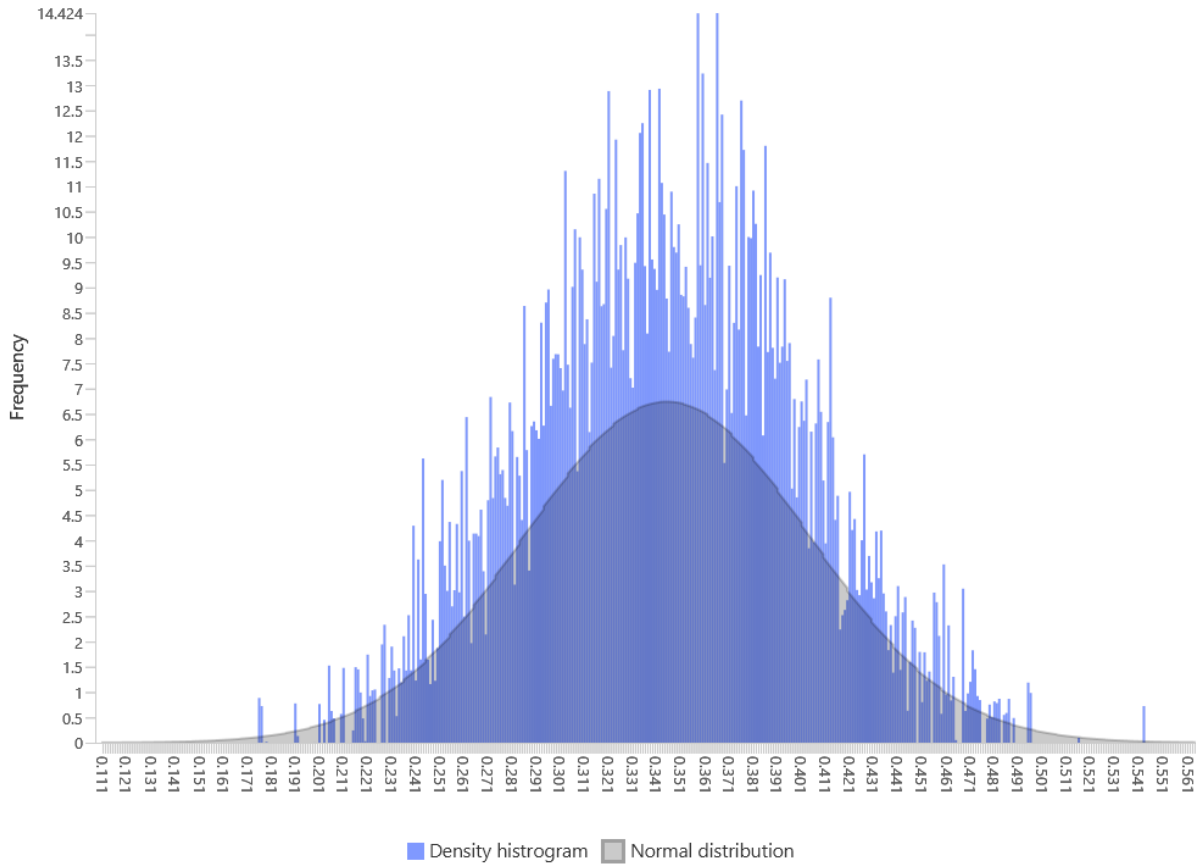


Fig 6: Path Coefficient Organizational Culture and Employees Performance

H3: Organizational Commitment -> Employees Performance

Data supports Hypothesis 3; that Organizational Commitment (OCMT) positively affects worker performance. With a path coefficient of 0.179, this is statistically significant, compared to the ($p < 0.05$, $t = 3.257$). This shows that people with higher levels of Organizational Commitment tend to have much better worker performance. It also marks H3 as positive, supporting the hypothesis.

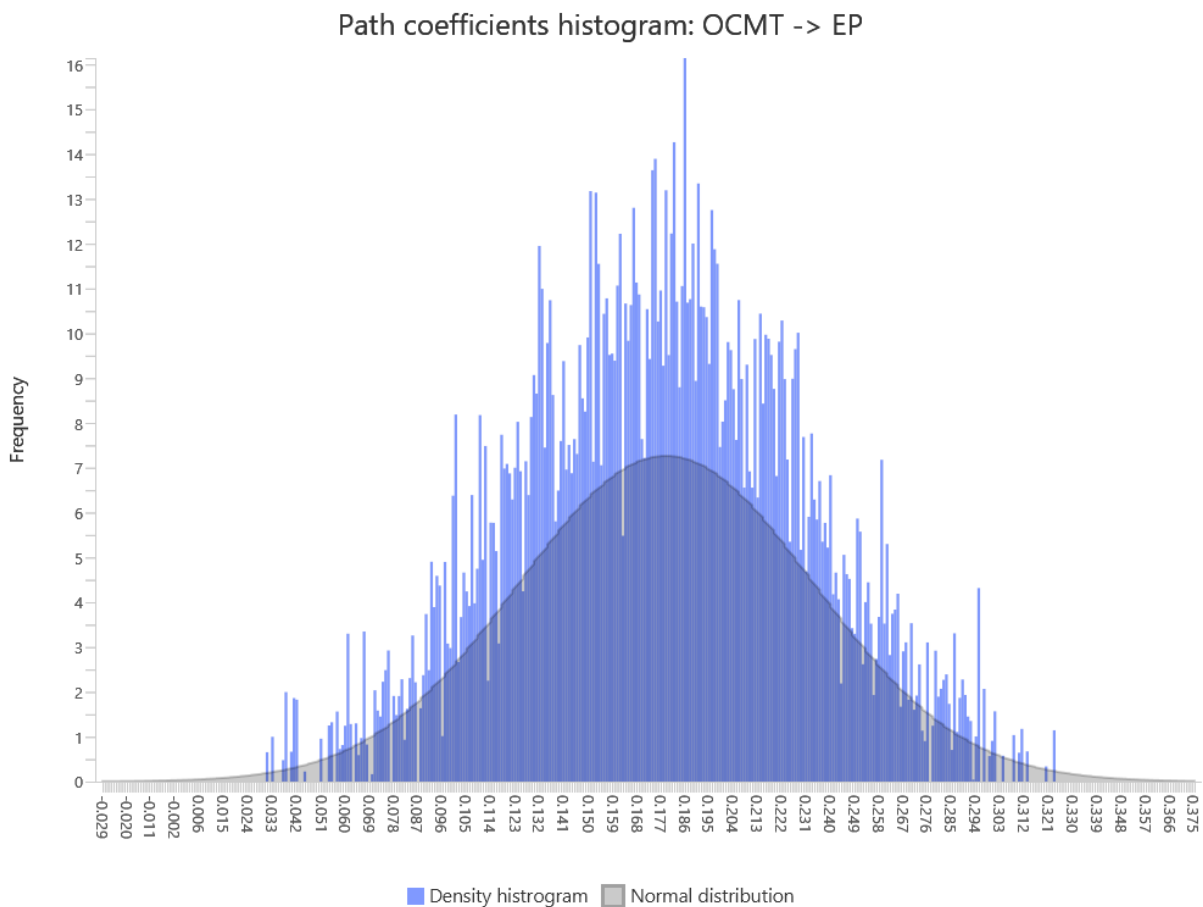


Fig 7: Path Coefficient Organizational Commitment and Employee Performance

H4: Interaction between Organizational Commitment and Leadership -> Employee Performance

The data supports the hypothesis that the interaction between Organizational Commitment (OCMT) and Leadership (LDR) affects employee performance. However, the interaction effect is negative ($\beta = -0.149$) and statistically significant ($p < 0.05$, $t = 3.146$). This means that while

OCMT and LDR do not dramatically facilitate EP, their interaction hinders EP well; which seems to indicate that when both people are high-level in both roles (when high dimensionality conflicts arise), this is accepted for H4.

Figure 8 shows the interaction effect of organizational commitment (OCMT) and leadership (LDR) on employee performance (EP). For those with lower organizational commitment (one standard deviation below the mean), increased leadership makes a positive difference in employee performance. As the red coloured line shows, they have positive slopes to indicate that higher levels of leadership directly impact how well employees perform their duties. Those with the average level of organizational commitment, meanwhile, also benefit from leadership, though the effect is less marked as shown by lines of low density in blue. On the other hand, those who are highly competent (one standard deviation above the mean) see no benefit from getting more leadership, and in fact, suffer as you can see from the green line they follow slopes downward not upward. This demonstrates leadership strategies may need to consider the level of individual organizational commitment, to achieve optimal employee performance. Another possible explanation for these variable relationships results from work suggesting that one forum in which they interact is rooted in an earlier period of literature (Cameron and Quinn 1999; Denison 1990).

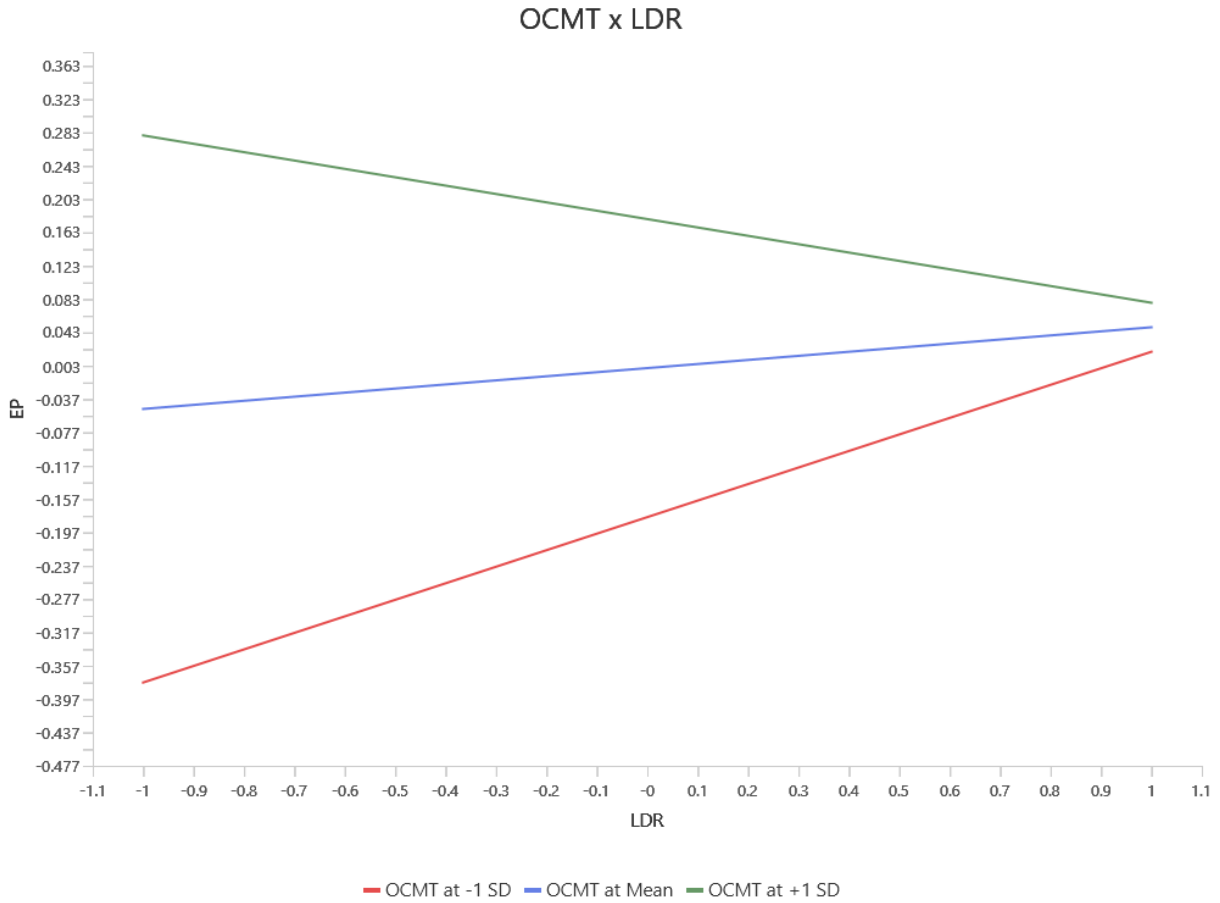


Fig 8: Simple slope analysis of Organizational Commitment and Leadership

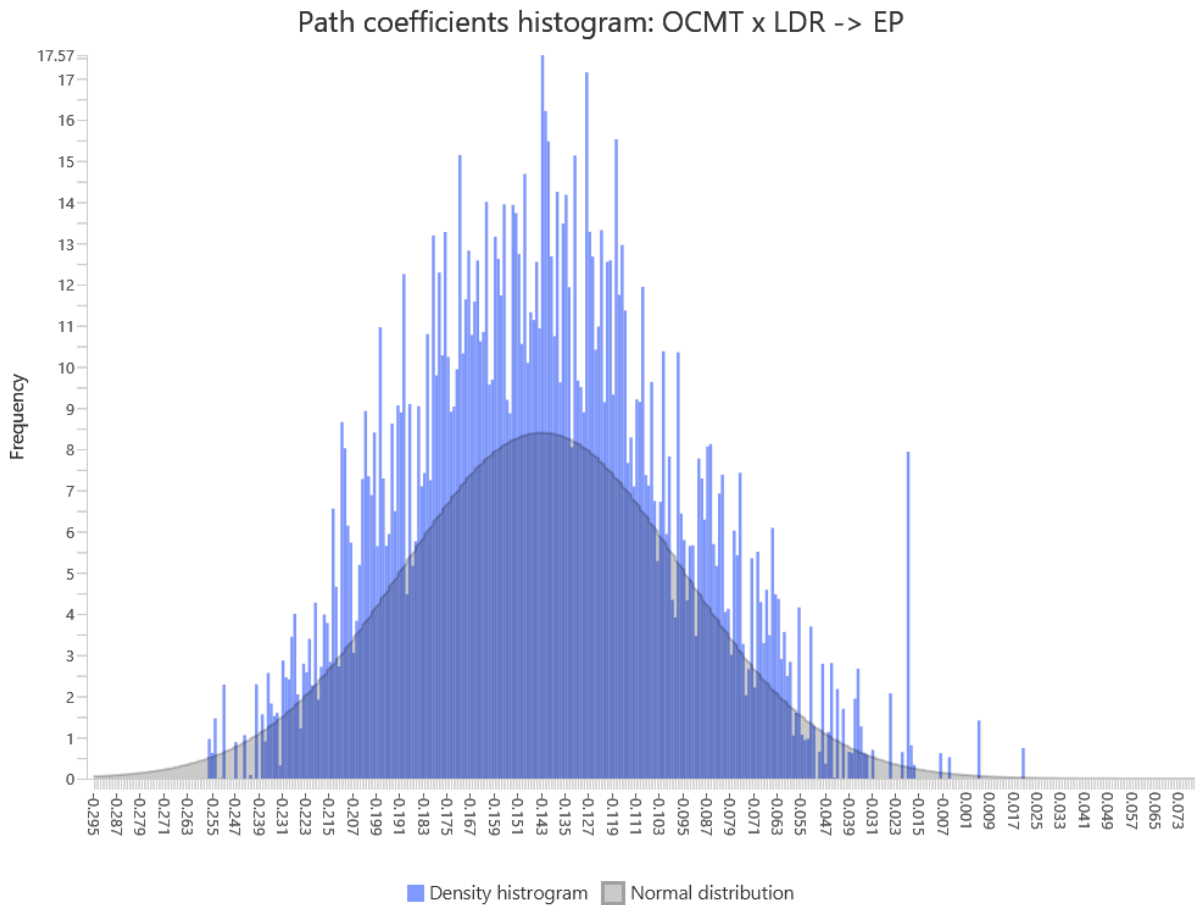


Fig 9: Path Coefficient Organizational Commitment * Leadership and Employee Performance

H5: Interaction between Organizational Commitment (OCMT) and Organizational Culture (OC) -> Employee Performance

The finding that employees' performance is influenced by the interaction between Organizational Commitment (OCMT) and Organizational Culture (OC) is statistically validated by the data. The interaction effect is positive ($\beta = 0.097$) and statistically significant ($p < 0.05$, $t = 2.230$). This means that when Organizational Commitment is high and the organizational culture is stronger, employee performance gets a big boost, which supports H5. Title Fig. 11 Interaction effect of OCMT (Organizational Commitment) and OC (organizational culture) on EP (employee performance). For employees with lower Organizational Commitment (one standard deviation under the mean), depicted as a red line in the chart, increases in organizational culture still bring about only modest improvements in employee performance. Those who have

average Organizational Commitment, denoted by the blue line, show a similar trend but their overall employee performance levels are higher. In contrast, the most effective (ie: highest levels of improvement) employee performers - individuals within one standard deviation above mean scores and unit of measurement for this Group?? Represented by a green line below - increase their overall result more than anything else as organizational culture rises. Meanwhile, a positive organizational culture will indeed substantially boost employee performance, especially for more senior staff with high Organizational Commitment indicates that the interaction of highly committed individuals with a positive organizational culture is critical in achieving employee satisfaction (Cameron & Quinn, 1999; Denison, 1990). Higher levels of Organizational Commitment + better work cultures = greater increases in employee performance. Findings from these tests thus bolster contemporary research which pushes the case that Organizational Commitment and organizational culture jointly affect employee performance (Cameron & Quinn, 2021; Denison, 2022).

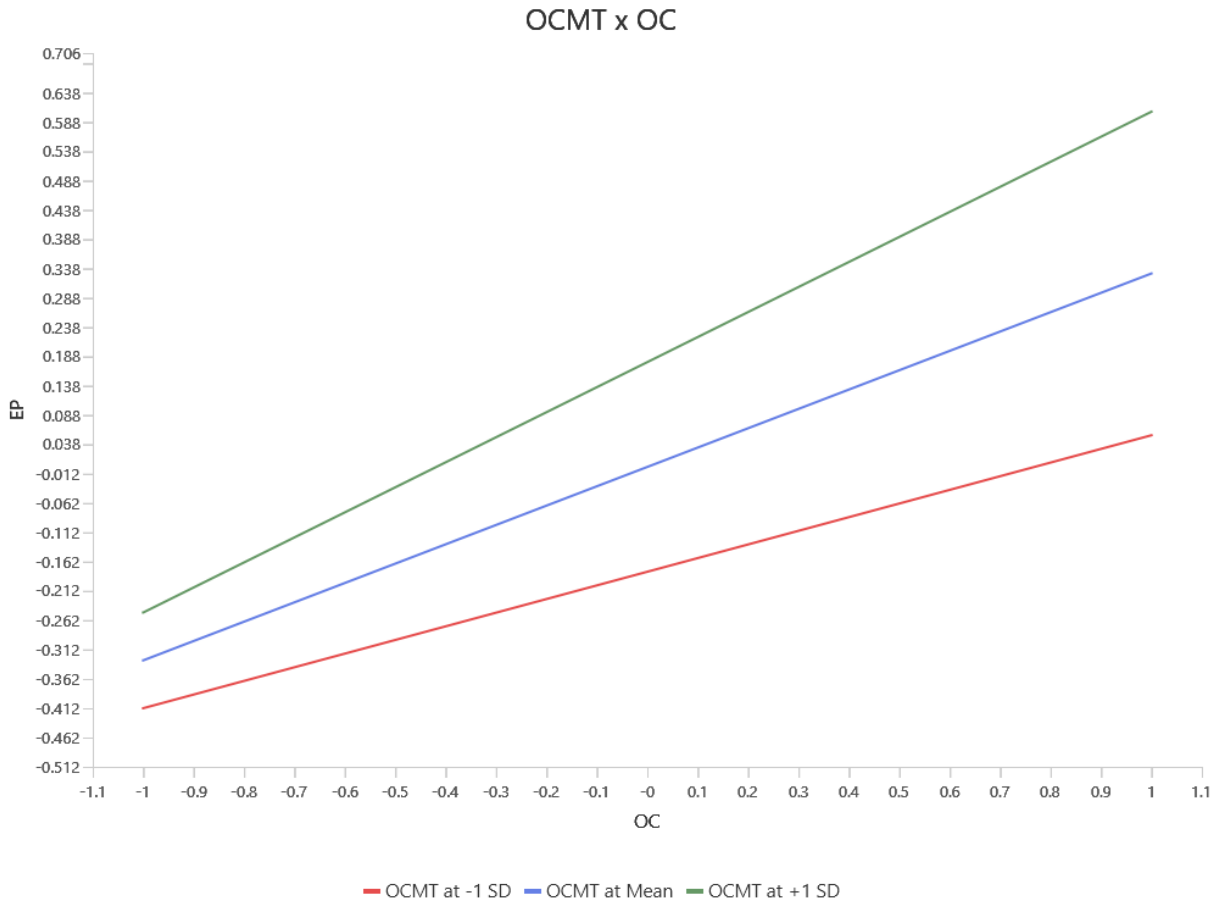


Fig10: Simple slope analysis of Organizational Commitment and Organizational Culture

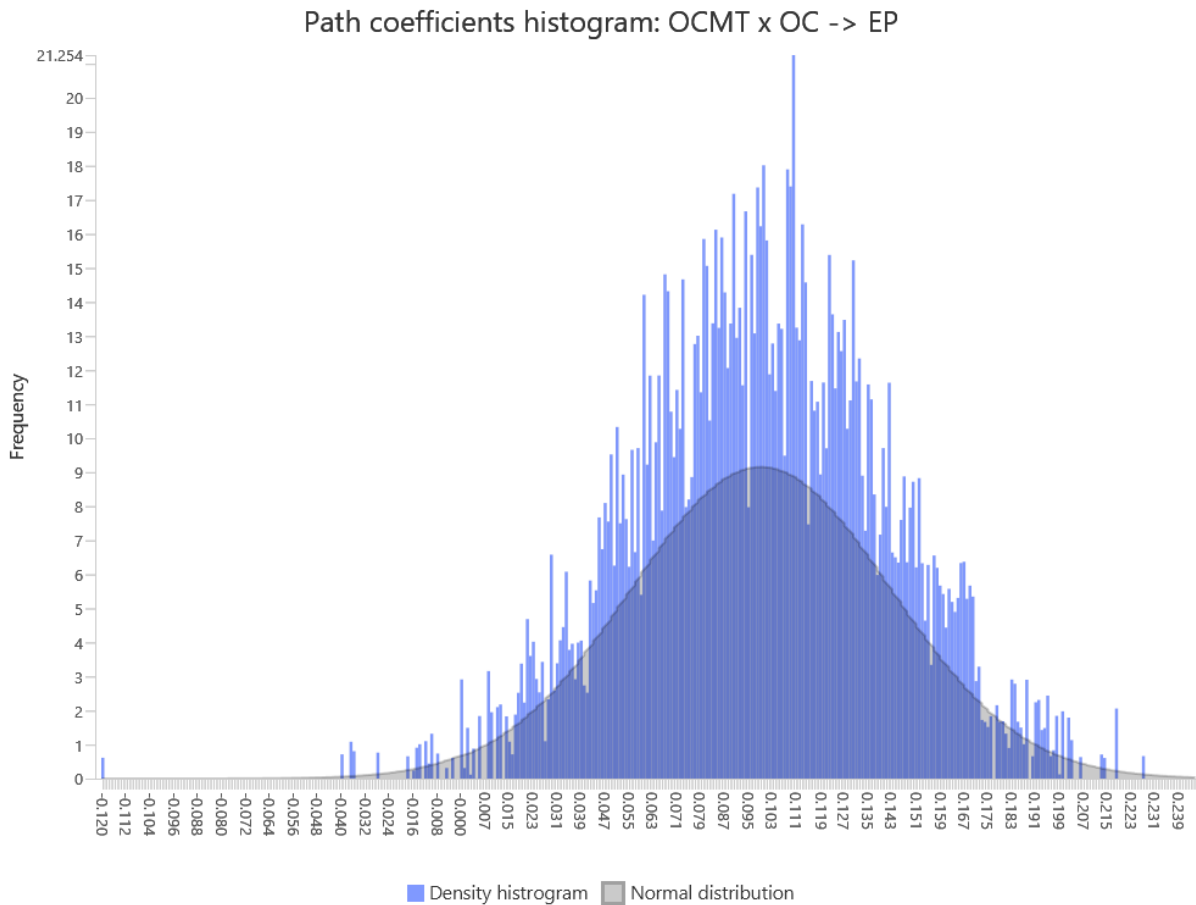


Fig 10: Path Coefficient of Organizational Commitment * Organizational Culture and Employees Performance

2. Discussion:

This research is intended to express an understanding of both organizational culture and belonging to organizations retrospectively from the perspective of financial institutions based in Pakistan (Ojo, 2010). Relying on a quantitative survey method after huge data collection by diverse samples which included 568 personnel from different hierarchical levels, age ranges and work experiences for insights into organizational culture and its impact on employee behaviour or motivation as well as the ultimate consequences for these employees' work (London & Mone, 2014).

Impact of Organizational Culture on Employee Performance

These findings confirmed the idea we were testing, that organizational culture indeed has a significant effect on worker performance in finance institutions. Individuals become more engaged and perform better if they work in a cohesive culture with real values, ethical norms that are visibly adhered to and customer service orientation (Kumari, 2012). Employee For employees to align their values with the organization's culture means they are likely to be more highly committed and motivated (Chatman & Cha, 2003). Your alignment fosters a sense of identification and pride in the staff, which in turn means they will be more willing to help substantially realize organizational objectives (Cameron & Quinn, 1999).

Role of Leadership in Shaping Organizational Culture

A good leader proves to be the pivotal factor whether an organization is energetic or not. Transformational leadership emphasizes the charismatic adeptness of leaders in inspiring and motivating their employees to work toward ambitious goals, combined with active forward adherence to company ethics and a willingness to listen to what's being said about the problem (Imam et al., 2013). Such a style breeds an atmosphere of trust and open communication, reflexivity and empowerment (Bass & Avolio, 1994). Leadership styles such as the cultural focus on transparency, openness and inclusivity can particularly contribute to a context where innovation is constantly valued and encouraged (Danaeefard et al., 2012; Piwowar-Sulej, 2021). On the other hand leadership styles seen as autocratic or corrective from the cultural viewpoint undermine culture and performance by employees alike due to the stress it causes for those involved. (Avolio et al., 1999)

Mediating Role of Organizational Commitment

Organizational commitment is crucial for elevating how what employees say they will do comes true (Agwu, 2014; Deem et al., 2015; Saad & Abbas, 2018). Competent employees who are also deeply committed belong to the organization and put forth more effort: This should lead to better performance (Meyer & Allen, 1991). Working with the three components of organizational commitment - affective, continuance and normative - each plays a distinctive aspect in learning habits upon how people do or do not work in the organization, and what they want from it (Allen & Meyer 1990) (Agbeworde, 2016). It should be noted that this study confirmed the view of previous studies: when a strong organizational culture exists, it strengthens and upgrades organizational commitment (its positive impact on employee performance) (Meyer et al., 2002)

Practical Implications

This paper has many practical implications for managers and leaders in financial institutions. Hence, it should be a strategic focus to promote cultural change within the company and then underpin this with actions of leadership that can both preserve and develop traditional behaviour norms. Organizations can do this by fixing priorities, and keeping everything else on hand! Efforts to promote leadership must keep in mind culture's processes as the prime determinant of the effects on people. Secondly, providing employees of this kind with those communicating "with nothing up a sleeve", synchronized recognition schemes and ways to develop their careers further enhances successful outcomes (Allen & Meyer, 1996).

Limitations and Future Directions

However, despite all these convincing discoveries, this research is inevitably limited. The use of convenience sampling, and an exclusive interest in Pakistan's financial institutions alone, might impair the findings' generalizability to other industries or geographical settings. Future research thus can start to explore these relationships across diverse sectors and different than regional contexts for a wider vision of what cultural dynamics do to employee performance. Future research should likewise delve into the sustainability and long-term consequences of cultural interventions in organizations. Longitudinal studies are called for a more extensive type of study which provides even greater insight into the effects that they have on company outcomes.

3. Conclusion:

This research, in conclusion, highlights the critical role performed by organizational culture in shaping employee conduct within financial institutions. Also by having an understanding of culture's effect and knowing how to make best use of it, leaders can build environments that eternally invite The employee engagement and dedication necessary for success. Before long, performance will also increase greatly. The results provide theoretical knowledge and practical means for the continual improvement of organizational efficiency within this changing, competitive field.

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