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**THE EFFECT OF POWER TRANSFER AND ORGANIZATIONAL CULTURE ON  
EMPLOYEE PERFORMANCE MEDIATED BY GOOD GOVERNMENT  
GOVERNANCE IN REGIONAL GOVERNMENT AGENCY (OPD) OF RIAU  
PROVINCE**

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**Abstract**

This study aims to examine the direct and indirect influence of Transfer of power and organizational culture on employee performance, mediated by good government governance. This research was conducted at the Regional government agency (OPD) of Riau Province. A quantitative approach was used. The population in this study was 150 employees of the Regional government agency (OPD) of Riau Province. The sample was a portion of the population with relatively similar characteristics and could be considered representative of the population using the Slovin technique, thus obtaining the sample using the Slovin formula. In distributing the questionnaire, the sampling method in this study used the Stratified Random Sampling technique. The results of this study indicate that transfer of power and organizational culture have a significant influence on good government governance. Furthermore, transfer of power, organizational culture, and good government governance have a significant influence on employee performance. Furthermore, good government governance can mediate the influence of transfer of power and organizational culture on performance.

**Keywords:** Transfer of power, Organizational Culture, Good Government Governance, Employee Performance

## INTRODUCTION

Bureaucratic reform in Indonesia has become one of the government's major priorities in improving the quality of public administration and public services. Through Presidential Regulation No. 81 of 2010 concerning the Grand Design of Bureaucratic Reform 2010–2025, the Indonesian government established a long-term framework to create a professional, accountable, and transparent bureaucracy. The reform agenda entered its third phase during the 2020–2024 period, emphasizing the importance of institutional strengthening, performance improvement, and adaptive governance in facing rapid global changes. Continuous monitoring and evaluation are required to ensure that reform programs are implemented effectively and produce measurable outcomes for society.

The implementation of bureaucratic reform is not only intended to address administrative weaknesses but also to prepare government institutions to face future challenges. Public organizations are expected to become more responsive, innovative, and efficient in delivering services to the community. In this context, the role of human resources becomes highly important because competent employees are essential for achieving organizational goals. Government institutions are therefore encouraged to improve employee capacity, professionalism, and work discipline in order to support sustainable organizational performance.

The Government of Riau Province has also attempted to strengthen organizational effectiveness by improving work culture and enhancing employee productivity. These efforts are carried out to align public administration with the rapid development of information technology and the Internet of Things (IoT) era. Technological advancement has transformed how organizations operate, communicate, and provide services. Consequently, government agencies are required to adapt their management systems and organizational culture to remain relevant and competitive in a rapidly changing environment.

Strategic planning is another important element in achieving organizational success within government institutions. Strategic planning enables organizations to formulate long-term objectives, identify opportunities and threats, and allocate resources effectively. In public organizations, strategic planning is closely related to accountability because government agencies must demonstrate measurable achievements and transparent performance indicators. Effective planning also supports regional development by encouraging innovation, economic growth, and institutional competitiveness.

Organizational culture is recognized as one of the key factors influencing employee behavior and organizational performance. A strong organizational culture creates shared values, norms, and commitments among employees, encouraging them to work collaboratively and responsibly. In government institutions, organizational culture can influence employee discipline, motivation, and commitment to public service. A positive work culture also helps organizations achieve higher efficiency and better service quality, while reducing internal conflicts and administrative inefficiencies.

Employee performance itself is an essential indicator of organizational success because the achievement of institutional objectives largely depends on the quality of employee contributions. Previous studies have shown that employee performance is influenced by several factors, including leadership, competence, organizational culture, and governance practices. Employees who work in supportive environments tend to demonstrate higher levels of productivity, creativity, and responsibility. Therefore, organizations must

continuously improve managerial systems and employee development programs to achieve optimal performance outcomes.

Another important concept discussed in this study is the transfer of power or delegation of authority within government organizations. Delegation enables leaders to distribute responsibilities and decision-making authority to employees or lower organizational levels. Effective delegation not only improves organizational efficiency but also increases employee participation, accountability, and confidence. When employees are trusted with greater responsibilities, they are more likely to contribute actively to organizational development and decision-making processes.

In addition to delegation, the implementation of good government governance has become increasingly important in modern public administration. Good governance emphasizes transparency, accountability, participation, effectiveness, and adherence to legal principles in government operations. The application of these principles helps improve public trust in government institutions and strengthens the quality of public services. Government agencies that successfully implement good governance are generally more capable of managing resources efficiently and responding to public demands effectively.

Several previous studies have indicated that organizational culture and transfer of power significantly affect employee performance. However, research findings regarding the relationship between these variables are still inconsistent, particularly concerning the mediating role of good government governance. Some studies suggest that governance practices strengthen the relationship between organizational factors and employee performance, while others indicate different results depending on institutional conditions and organizational environments. This gap in research highlights the need for further investigation, especially within regional government institutions in Indonesia.

Based on these conditions, this study focuses on examining the direct and indirect effects of transfer of power and organizational culture on employee performance through good government governance in the Regional Government Agencies (OPD) of Riau Province. The study aims to provide a deeper understanding of how governance systems, leadership practices, and organizational culture contribute to improving employee performance in public institutions. The findings are expected to offer practical recommendations for strengthening governance quality, enhancing organizational effectiveness, and improving the overall performance of local government institutions in Riau Province.

## **REVIEW OF LITERATURE**

### **Employee Performance**

According to Kasmir (2016:182), performance is defined as the results of work or work behavior achieved in completing assigned tasks and responsibilities within a specific period. Organizational performance assessments can improve company/organizational decisions and provide feedback to employees regarding the implementation of their tasks or work. According to Regulation of the Minister of State Agency Empowerment and Bureaucratic Reform (PANRB) Number 6 of 2022 concerning the Management of Civil Service (ASN) Employee Performance, employee performance indicators include:

1. Service Orientation
2. Work Initiative
3. Cooperation

4. Determination

5. Integrity

### **Good Government Governance**

According to Mardiasmo (2018), good government governance is defined as a state's procedures for managing economic and social resources oriented toward community development in order to achieve good governance. According to Agoes (2020), good government governance is defined as a government's method for regulating the relationship between committee duties, the role of directors, stakeholders, and other shareholders. A transparent process for determining government objectives, assessing performance, and achieving these goals is also referred to as clean and good governance. According to Bangun (2016), Mardiasmo (2018), and Alamsyahril (2020), there are four indicators of good government governance, as follows:

1. Responsiveness: Employees' obligations and responsibilities for their duties and authorities, as well as their ability to repair or compensate for losses caused by their actions.
2. Participation: Employees must be involved in decision-making processes that affect their work and the organization. This participation can occur through various mechanisms, such as discussion forums, surveys, or effective complaint mechanisms.
3. Transparency: Information about performance, policies, and financial management must be openly available and accessible to employees. This transparency builds trust and reduces the potential for corruption.
4. Accountability: Employees must be held accountable for their performance and actions. A strong accountability system ensures that employees are held accountable for their duties and obligations.

### **Transfer of Power**

Power is primarily necessary to formalize an association, maintain continuity, and enforce norms. Without power, there would be no organization and no order. Generally, power encompasses traits related to people and position, which are the basis for a leader's ability to influence others. A leader's success is largely determined by their ability to understand the situation and their skill in using power. Power, as stated by (Yukl, 1989), is an agent's capacity to influence a target group. According to Gibson et al. (1996: 482), there are three types of power transfer:

1. Legitimate Power, which is power legally obtained due to one's position in a group or organizational hierarchy.
2. Reward Power, which is power based on the granting of expectations, praise, or rewards in exchange for fulfilling a leader's requests to subordinates.
3. Coercive Power, which is power based on fear. A follower feels that failure to meet a leader's needs may result in some form of punishment being imposed.

### **Organizational Culture**

According to Tobar (2015), organizational culture can also be interpreted as the personality of an organization. This means that the appearance of the organization or the behavior of the people within it will reflect the character of the organization. Indicators for assessing organizational culture, according to the National Civil Service Agency (BKN 2022), are as follows:

1. Accountable: processes from all planning stages, from implementation to reporting, are accountable to all parties involved.

2. Competent: Continuous learning and developing capabilities.
3. Harmonious: Caring for each other and respecting differences.
4. Loyal, dedicated, and prioritizing the interests of the nation and state.
5. Adaptive: Continuous innovation and enthusiasm in driving or facing change.
6. Collaborative: Building synergistic cooperation.

## **RESEARCH METHOD**

### **Population and Sample**

A population is a generalized area consisting of objects or subjects possessing certain qualities and characteristics determined by the researcher to be studied and then conclusions drawn (Sugiyono, 2018). A sample is a subset of the population and its characteristics (Sugiyono, 2018). The sampling technique used in this study was purposive sampling, which involves drawing a sample from the population based on specific criteria. These criteria can be based on specific considerations or quotas. The sample selection criteria are:

1. Senior Executive and Middle-Level Government Officials
2. Have served at least one term of office or have worked at the relevant agency for more than one year.
3. Secretaries, Subdivisions, and Section Heads.

Based on the research sample in the table above, 150 respondents from 46 Regional government agencies (OPD) in Riau Province met the sample selection criteria considered in the study.

### **Data Analysis**

Descriptive analysis in this study contains a discussion of respondent characteristics that are linked to respondent responses. (1) Respondent Characteristics Analysis, respondent characteristics analysis consists of gender, respondent age, last education, status, length of service, position, income (2) Respondent Response Analysis, respondent response analysis contains a discussion of respondent responses that are linked to respondent characteristics.

The PLS model tests conducted in this study are: (1) Validity Test, a test conducted to measure the accuracy of the research instrument or questionnaire. The questionnaire is said to be valid if the statement or statements from the questionnaire can reveal something that will be measured by the questionnaire. The accuracy value of the questionnaire can be measured using the correlation coefficient. A questionnaire is said to be good and valid if the correlation coefficient is  $> 0.3$  (Ghozali, 2018). (2) Reliability Test, a questionnaire test conducted with the aim of measuring the consistency of respondents' answers. The reliability test is carried out using the Cronbach alpha statistical test. The questionnaire is said to be reliable if the Cronbach alpha value is  $\geq 0.70$  (Ghozali, 2018). (3) Multicollinearity Test (VIF), the multicollinearity test is carried out by looking at the VIF value. The VIF value must be less than 5, because if it is more than 5 it indicates multicollinearity between constructs (Ghozali and Latan 2015). (4) R Square test, the coefficient of determination (R Square) is a way to assess how much the endogenous construct can be explained by the exogenous construct. The coefficient of determination (R Square) value is expected to be between 0 and 1. R Square values of 0.75, 0.50, and 0.25 indicate that the model is strong, moderate, and weak.

### **Research Hypothesis**

#### **The effect of power transfer on good government governance**

The transfer of power and good governance are fundamental to the legitimacy and

sustainability of a democratic system. A constitutional, transparent, and peaceful transfer of power is a key indicator that governance principles such as the rule of law and accountability have been effectively implemented. When the leadership succession process occurs without significant turmoil, it demonstrates the maturity of political institutions in maintaining national stability, which in turn strengthens public trust in the integrity of the government.

Conversely, an effective transfer of power serves as a check and balance mechanism to prevent the concentration of power and systemic corruption, which are the antithesis of good governance. Through periodic leadership changes, the principle of responsiveness can be revitalized in line with the evolving aspirations of the people. Furthermore, a well-managed transition ensures that strategic programs continue to run predictably even when the leadership changes, thus maintaining public service standards and bureaucratic effectiveness within a transparent, professional framework.

### **The effect of organizational culture on good government governance**

Organizational culture plays a crucial role as a foundation for realizing good governance. When values such as integrity, transparency, and accountability are internalized into the collective identity of civil servants, governance principles are more easily implemented, not merely as regulatory compliance but also as daily work behavior. A strong organizational culture fosters awareness to minimize maladministration and corruption, as every individual within the institution feels a moral responsibility to provide quality and objective public services.

Furthermore, the effectiveness of good governance depends heavily on the alignment between the formal government structure and the work culture within it. An adaptive and results-oriented organizational culture enables optimal oversight mechanisms and public participation. Conversely, a closed and hierarchical culture tends to hinder information transparency and bureaucratic innovation. Therefore, strengthening an organizational culture based on public ethics is a key driver for creating a clean, responsive government that enhances public trust in state institutions.

### **The effect of power transfer on employee performance**

The concept of power transfer within an organization is closely linked to improving employee performance through empowerment mechanisms. When decision-making authority is distributed from superiors to subordinates, employees tend to feel greater psychological responsibility for their work. This creates a sense of ownership that encourages individuals to work beyond minimum standards, increase initiative, and accelerate responses to operational challenges in the field without having to constantly wait for lengthy bureaucratic instructions.

Beyond internal motivation, power transfer plays a crucial role in developing competency and work efficiency. Employees empowered to manage their tasks independently are challenged to hone their problem-solving and strategic decision-making skills. Technically, this reduces communication barriers and wait times in the workflow, allowing organizational targets to be achieved more nimbly. Performance is no longer measured solely by compliance with orders, but rather by the innovation and accuracy of employee actions in optimizing existing resources.

However, the effectiveness of this relationship depends heavily on employee readiness and capability and the accompanying organizational support. If the transfer of authority is not accompanied by clear targets, adequate training, or a supportive oversight system, it can actually lead to role ambiguity and excessive workload. Therefore, for the

transfer of authority to positively contribute to performance, organizations need to build a culture of trust and provide constructive feedback. With proper integration, the transfer of authority will transform into a key catalyst in creating a productive, adaptive, and high-performing workforce.

### **The effect of organizational culture on employee performance**

High employee performance will support organizational productivity, so organizational leaders should always pay attention to improving the performance of their members for the sake of organizational progress. Improving member performance is also closely related to how the organization develops the existing organizational culture. Every organization has characteristics that distinguish it from other organizations, these characteristics become the identity of the organization. This characteristic is called organizational culture, organizational culture refers to the unique relationship of norms, values, beliefs and ways of behavior that characterize how groups and individuals get things done. Culture is related to how the organization builds commitment to realizing the vision and building cultural strength determines the progress of every organization, no matter what type of organization. Organizational culture is formed from the organizational philosophy and values adopted by human resources within the organization, however, the role of leaders or top management is very large in shaping organizational culture. Shared values make employees feel comfortable working, have commitment and loyalty and make employees work harder, improve employee performance and job satisfaction and maintain competitive advantage, the stronger the organizational culture, the greater the encouragement of employees to progress together with the organization. Based on this, the introduction, creation and development of organizational culture in an organization is absolutely necessary in order to build an effective and efficient organization in accordance with the vision and mission to be achieved.

### **The effect of good government governance on employee performance**

The implementation of Good Government Governance (GGG) principles is the primary foundation for creating a transparent, accountable, and professional bureaucratic system. Theoretically, the relationship between good governance and employee performance is linear; the stronger the implementation of transparency and the rule of law within an organization, the more focused the work behavior of individuals within it. This is due to clear standard operating procedures (SOPs) and a fair distribution of authority, so employees feel they have clear guidance in carrying out their duties without overlapping responsibilities.

Furthermore, the existence of accountability and participation in Good Government Governance plays a role in increasing employee motivation and organizational commitment. When the performance appraisal system is conducted objectively and fairly—as a manifestation of the principle of fairness—employees will feel professionally valued. A work environment free from KKN (Corruption, Collusion, and Nepotism) practices encourages a competitive and positive work culture, where each individual competes to make their best contribution to achieving established organizational targets.

In the long term, the integration of GGG principles contributes to the effectiveness and efficiency of public services. Employees working under an effective governance system tend to be more responsive to community needs due to their results-oriented approach and highly upheld ethical values. Thus, employee performance is measured not only by the completion of administrative tasks, but also by the extent to which they demonstrate integrity and professionalism in supporting the success of development programs and serving the

wider community.

### **The effect of transfer of power on employee performance through good government governance**

The relationship between the transfer of power and employee performance within the framework of good government governance (GGG) creates a synergy that strengthens accountability and transparency in the public sector. When authority is delegated appropriately, the principle of responsiveness in GGG requires employees to not only perform their duties but also assume full responsibility for the effectiveness of the services provided. This transfer of power cuts through rigid bureaucratic chains, allowing decision-making to be carried out closer to the point of public service, ultimately improving the speed and accuracy of overall bureaucratic performance.

The implementation of the principles of participation and professionalism in good governance ensures that the transfer of authority serves as a means of capacity development for civil servants. With measurable autonomy, employees are encouraged to innovate in solving public problems without fear of excessive hierarchical constraints. This creates a performance-based work environment (merit system), where each delegation of authority is accompanied by clear operational standards, thereby maintaining employee integrity and minimizing the potential for abuse of authority through transparent oversight.

At a macro level, the integration between the transfer of authority and GGG leads to organizational efficiency that directly impacts public satisfaction. Employee performance is no longer seen solely as an individual achievement, but as part of the success of a clean and authoritative government system. With legal certainty and the supremacy of rules in every transfer of power, employees feel more secure and are motivated to make maximum contributions, thus creating a results-oriented work culture and sustainable democratic governance.

### **The effect of organizational culture on employee performance through good government governance**

Organizational culture serves as a foundation of values and norms that guide the behavior of civil servants in carrying out their professional duties. When an agency upholds values such as discipline, professionalism, and service orientation, it creates a conducive work environment for increased productivity. A strong organizational culture indirectly establishes high work standards for employees, where achieving targets is no longer seen as a burden, but rather as a manifestation of moral responsibility and the institution's collective identity.

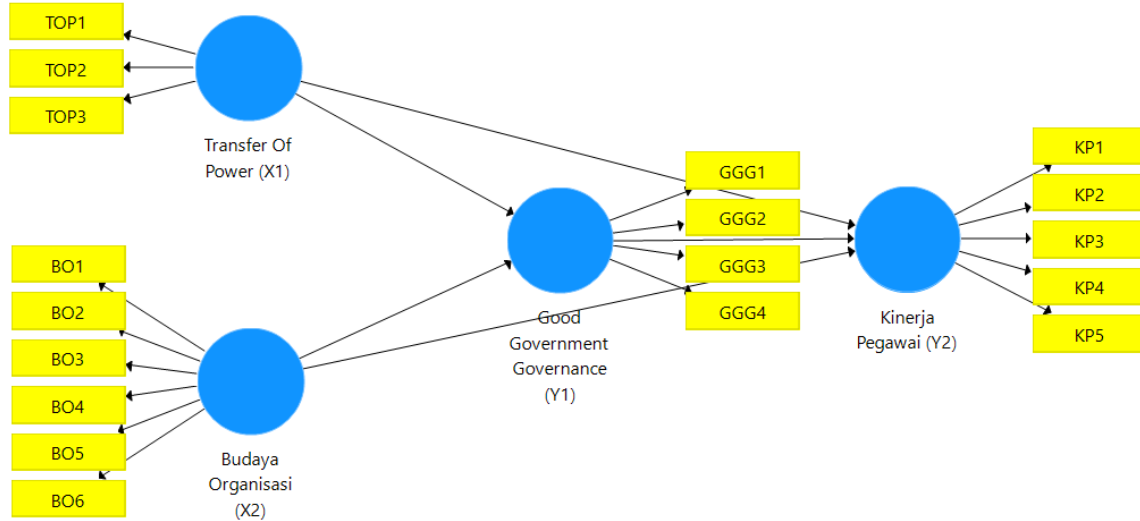
In the context of government, Good Government Governance (GGG) acts as a mediating variable that strengthens the influence of this culture on performance. The implementation of GGG principles such as transparency, accountability, and the rule of law ensures that the values of the organizational culture are translated into a measurable and fair work system. With good governance, every employee receives clarity regarding workflows and objective performance evaluations, thereby minimizing potential conflicts of interest and increasing trust in leadership.

Ultimately, the alignment between organizational culture and sound governance will lead to significant improvements in employee performance. GGG provides a formal framework that ensures the energy of the organizational culture is channeled towards achieving the organization's strategic goals. Employees who work in a transparent system and are supported by a positive work culture tend to have higher motivation, so they are able

to provide more responsive, effective and efficient public services to the community.

**Research Model**

This research model describes the relationship between independent variables (price perception and risk perception) to dependent variable (purchase decision) through mediating variable (purchase intention). This model can be illustrated as follows:



**RESULTS AND DISCUSSION**

**Descriptive Analysis**

This study took the object of human resources, namely 150 employees. The discussion includes the results of the research conducted through the distribution and completion of questionnaires by employees as a sample. The results of the distribution of questionnaires to 150 respondents and have been completed and returned to the researcher by 100% (all questionnaires). The description of the characteristics of respondents is intended to determine the composition of respondents who participated in this study, especially information about employees. The description of employee characteristics based on gender, age, education and length of service is as follows:

**Table 1.**  
**Research Respondents**

	Frequency	Percent
Men	85	57
Women	65	43
<b>Total</b>	<b>150</b>	<b>100.0</b>
21-30	5	3
31-40	28	19
41-50	81	54
>50	36	24
<b>Total</b>	<b>150</b>	<b>100.0</b>
D3	20	13
S1	77	52
S2	44	19

S3	9	6
<b>Total</b>	<b>150</b>	<b>100.0</b>
<5	9	6
6—15	52	35
16—25	71	47
>25	18	12
<b>Total</b>	<b>150</b>	<b>100.0</b>

**Source: Processed data (2026)**

Based on the data in Table 1, it was obtained that the respondents in this study were mostly male, namely 57%, while respondents with female gender were only 43%. Thus, the majority of Regional Agency (OPD) employees of Riau Province were male, this is closely related to the characteristics of the work, especially for field employees, who have high intensity and workload. Field work requires high mobility with travel to various remote areas with diverse geographical conditions, which requires prime physical endurance. Based on the age of Regional Agency (OPD) employees of Riau Province, the majority were aged between 41 and 50 years with a percentage of 54%; respondents aged between 30 and 40 years with a percentage of 19% of employees; respondents aged over 50 years with a percentage of 24% of employees; and the fewest employees were under 30 years with a percentage of 3%. This is because employees working in the Riau Province Regional Agency (OPD) have been working for a long time and are therefore considered more productive than employees of other ages.

Based on the educational background of respondents in the Riau Province Regional Agency (OPD), the majority had a bachelor's degree (52.00%), followed by 29% of employees with a master's degree (2.00%), and 1% of employees with a doctorate or doctoral degree (3.00%). Because a bachelor's degree is often the minimum requirement for holding several positions in the government bureaucracy, particularly functional and structural positions, this situation indicates the continued dominance of undergraduate education. With the expectation that a relatively high level of education will contribute to better employee performance, the Riau Province Regional Agency (OPD) prioritizes hiring employees with at least a bachelor's degree (S1) from various disciplines required by the Riau Province Regional Agency (OPD). Based on the length of service of Regional Agency (OPD) employees of Riau Province with a service period of less than <5 years has the smallest percentage of 6%, employees with a service period of 6-15 years obtain a percentage of 35% of employees, while >25 years have a percentage of 12% of employees while employees with a service period of 16-25 years have the highest percentage of 47.00% of employees due to the Civil Servant recruitment process which is not carried out routinely every year, but rather depends on the needs and policies of the government, causing the dominance of employees who have served for a long time. The length of service of employees can affect their ability to analyze and complete work, the complexity of tasks and regulations in service requires in-depth understanding and experience that can only be obtained over time, making experienced employees a valuable asset for the agency.

**Validity and Reliability Test**

The convergent validity of the measurement model with reflective indicators is assessed based on the correlation between item scores/component scores estimated using PLS software. An individual's reflective measure is considered high if it correlates more than 0.70 with the construct being measured. However, according to Chin, 1998 (in Ghazali,

2016), for early research on the development of a measurement scale, a loading factor value of 0.5 to 0.6 is considered sufficient. In this study, a loading factor limit of 0.60 will be used. Validity tests were conducted on all questionnaire statements in this study. The results of the validity test are shown in Table 2.

**Table 2.**  
**Validity and Reliability Test**

Constructs	Indicators	Validity (>0.30)	Cronbach's Alpha (>0.70)	Rho_A (>0.70)	Composite Reliability (>0.70)	AVE (>0.50)
Transfer of Power (X <sub>1</sub> )	X1.1	.803	0.962	0.960	0.971	0.892
	X1.2	.842				
	X1.3	.841				
Organizational Culture (X <sub>2</sub> )	X2.1	.861	0.973	0.975	0.979	0.886
	X2.2	.858				
	X2.3	.896				
	X2.4	.826				
	X2.5	.887				
	X2.6	.875				
Good Government governance (Y <sub>1</sub> )	Y1.1	.784	0.924	0.932	0.955	0.876
	Y1.2	.667				
	Y1.3	.814				
	Y1.4	.835				
Employee Performance (Y <sub>2</sub> )	Y2.1	.857	0.958	0.957	0.967	0.854
	Y2.2	.809				
	Y2.3	.817				
	Y2.4	.808				
	Y2.5	.769				

**Source: Processed data (2026)**

Based on the test results presented in Table 2, it can be seen that the indicators in the latent variables regarding transfer of power, organizational culture, good government governance, and employee performance, measured by each indicator, have an outer loading value greater than 0.60. Therefore, it can be concluded that each indicator together shows the unidimensionality or validity of a latent variable against the variables of its constituent indicators. This can be evaluated through a measurement model using validity and reliability by constructing the latent variables into a path diagram. All variable constructs ranging from transfer of power, organizational culture, good government governance, and employee performance meet the reliable criteria. This is indicated by the Cronbach's Alpha Composite Reliability value above 0.70 and AVE above 0.50, as recommended criteria.

**Coefficient of Determination (R<sup>2</sup>)**

**Table 3.**  
**Coefficient of Determination (R<sup>2</sup>)**

	R Square	R Square Adjusted
<b>Good Government Governance (Y<sub>1</sub>)</b>	0.847	0.842

<b>Employee Performance (Y<sub>2</sub>)</b>	0.845	0.839
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**Source: Processed data (2026)**

Based on the data calculations, the Adjusted R-Square value was 0.842, or 84.2%. Therefore, good government governance is influenced by the transfer of power and organizational culture by 84.2%. The remaining 15.8% is explained by other variables not included in this research model. Meanwhile, the adjusted R-Square for employee performance was 0.839, or 83.9%. Therefore, employee performance is influenced by the variables transfer of power, organizational culture, and good government governance by 83.9%. The remaining 16.1% is explained by other variables not included in this research model.

**Test of Direct Effect Coefficient**

Hypothesis testing and direct influence path coefficient between variables Hypothesis testing and direct influence path coefficient between variables of competence, organizational culture and spiritual intelligence on organizational commitment and employee performance at the Ministry of Religious Affairs Regional Office of Riau Province. The results of the direct influence can be seen from the path coefficient value and the significant critical point at  $\alpha = 0.05$ . The complete results of the direct influence test are presented in Table 4.

**Table 4.**  
**Direct and Indirect Effect Path Coefficient**

Hipotesis		Original Sample (O)	T Statistics ((O/STDEV))	P Values	Proof	
H <sub>1</sub>	Transfer Of Power → Good Government Governance	0,162	0,981	0,327	Insignificant	Rejected
H <sub>2</sub>	Organizational Culture → Good Government Governance	0,348	3,819	0,020	Significant	Accepted
H <sub>3</sub>	Transfer of Power → Employee Performance	0,450	4,607	0,000	Significant	Accepted
H <sub>4</sub>	Organizational Culture → Employee Performance	0,496	4,173	0,000	Significant	Accepted
H <sub>5</sub>	Good Government Governance → Employee Performance	0,116	0,092	0,002	Significant	Accepted
H <sub>6</sub>	Transfer Of Power → Good Government Governance → Employee Performance	0,577	1,523	0,010	Significant	Accepted
H <sub>7</sub>	Organizational Culture → Good Government Governance → Employee Performance	0,710	3,148	0,000	Significant	Accepted

**Source: Processed data (2026)**

**Hypothesis Test**

**The effect of power transfer on good government governance (H<sub>1</sub>)**

Transfer of power does not significantly influence good government governance, as evidenced by statistical testing showing a path coefficient (original sample estimate) of 0.162 and significant at p-value 0.327 ( $p < \alpha = 0.05$ ). This means that every 1 unit increase in transfer of power will decrease good government governance by 0.327, assuming other variables remain constant. Therefore, the first hypothesis proposed in this study can be rejected.

### **The effect of organizational culture on good government governance (H<sub>2</sub>)**

Organizational culture has a significant effect on good government governance, as evidenced by statistical testing showing a path coefficient (original sample estimate) of 0.348 and significant at a p-value of 0.020 ( $p < \alpha = 0.05$ ). This means that every 1 unit increase in organizational culture will increase good government governance by 0.348, assuming other variables remain constant. Thus, the second hypothesis proposed in this study can be accepted.

### **The effect of power transfer on employee performance (H<sub>3</sub>)**

Transfer of power has a significant effect on employee performance, as evidenced by statistical testing showing a path coefficient (original sample estimate) of 0.450 and significant at a p-value of 0.000 ( $p < \alpha = 0.05$ ). This means that any increase in transfer of power will improve employee performance. Therefore, the third hypothesis proposed in this study can be accepted.

### **The effect of organizational culture on employee performance (H<sub>4</sub>)**

Organizational culture has a significant effect on employee performance, as evidenced by statistical testing showing a path coefficient value (original sample estimate) of 0.496 and significant at a p-value of 0.000 ( $p < \alpha = 0.05$ ). This means that every 1 unit increase in organizational culture will increase employee performance by 0.496, assuming other variables remain constant. Thus, the fourth hypothesis proposed in this study can be accepted.

### **The effect of good government governance on employee performance (H<sub>5</sub>)**

Good government governance has a significant effect on employee performance, as evidenced by statistical testing showing a path coefficient (original sample estimate) of 0.016 and significant at p-value 0.002 ( $p < \alpha = 0.05$ ). This means that every 1 unit increase in good government governance will increase employee performance by 0.016, assuming other variables remain constant. Therefore, the fifth hypothesis proposed in this study can be accepted.

### **The effect of transfer of power on employee performance through good government governance (H<sub>6</sub>)**

Good government governance is able to mediate the transfer of power on employee performance, this is proven by statistical testing which shows a path coefficient value (original sample estimate) of 0.577 and significant at p-value 0.010 ( $p < \alpha = 0.05$ ). This means that every increase in good government governance will provide an increase in the transfer of power on employee performance. Thus, the sixth hypothesis proposed in this study can be accepted.

### **The effect of organizational culture on employee performance through good government governance (H<sub>7</sub>)**

Good government governance is able to mediate organizational culture on employee performance, this is proven by statistical testing which shows a path coefficient value (original sample estimate) of 0.710 and significant at p-value 0.000 ( $p < \alpha = 0.05$ ). This means that every increase in good government governance will provide an increase between organizational culture and employee performance. Thus, the seventh hypothesis proposed in this study can be accepted.

## CONCLUSION

The ineffectiveness of power transfers on good government governance (GGG) is often rooted in the strong dominance of entrenched bureaucratic systems (path dependency). In this situation, even when top leadership changes, the bureaucratic structure below maintains the same work patterns, procedures, and ethics without substantial reform. If governance mechanisms such as transparency and accountability are already firmly institutionalized or are mired in systemic corruption, the power transfer remains merely ceremonial at the elite level and fails to significantly impact the fundamental functions of public service or the quality of decision-making. Furthermore, this lack of influence can be caused by political compromise or "policy continuity" imposed to maintain economic stability and security. When new leaders continue to use the same regulatory framework and human resources without overhauling institutional design, the principles of good governance remain entrenched. The significance of power transfers is weakened when external factors, such as oligarchic pressure or dependence on the old system, outweigh the desire for governance reform, resulting in no real change in the government effectiveness index despite the leadership succession.

Organizational culture significantly influences Good Government Governance (GGG) because it functions as a value system that guides the mindset and actions of officials within the bureaucracy. Organizational values emphasizing honesty, openness, and responsibility serve as the foundation for upholding the principles of transparency and accountability. When organizational culture is firmly entrenched, every policy and decision is made with high ethical standards in mind, thereby systematically minimizing opportunities for KKN (Corruption, Collusion, and Nepotism) practices within the institution itself. Furthermore, this significant influence is evident in how organizational culture enhances the responsiveness and effectiveness of public services. Organizations with an adaptive culture oriented toward the public interest will more easily adopt modern and participatory governance principles. This creates a climate where the rule of law and bureaucratic efficiency are no longer mere slogans, but rather the tangible results of the collective commitment of employees who feel bound by a positive work culture. Therefore, strengthening organizational culture is key to ensuring the sustainability of clean and authoritative governance practices.

A transfer of power can significantly impact employee performance through changes in policy orientation and new leadership styles. When a leadership transition occurs, it is often accompanied by shifts in strategic priorities and performance standards, demanding rapid adaptation from staff. New leadership with a fresh vision can act as a catalyst for motivation, increasing employee engagement through more open communication, and clarifying lines of accountability. This change creates momentum to break with unproductive routines, encouraging employees to optimize their competencies to align with the new organizational goals. However, this significant influence can also be challenging if not managed with proper transition management, as it can trigger job insecurity. Structural changes or job rotations that typically accompany a power shift can affect the psychological stability and work rhythm of employees in the field. If the new leader is able to provide certainty and emotional support during the transition, loyalty and organizational commitment will strengthen, ultimately having a linear impact on productivity. Conversely, performance effectiveness depends heavily on the extent to which the transition process integrates existing human capital into the new work culture without creating prolonged internal conflict.

Organizational culture significantly influences employee performance because it serves as a moral and operational compass that determines how tasks are completed. Shared values, such as integrity, discipline, and innovation, create a stable work environment and provide a sense of identity for each individual. When employees feel aligned with these values, they tend to have a stronger emotional attachment and commitment, which directly triggers increased productivity and work quality in achieving organizational goals. Furthermore, this significant influence is reflected in the formation of effective communication and collaboration patterns within the team. A positive organizational culture encourages openness and mutual trust, allowing work obstacles to be overcome more quickly and efficiently. An environment that supports individual development and recognizes achievement motivates employees to consistently give their best effort. Thus, organizational culture is not merely an operational backdrop, but a key driver in optimizing human resource potential for institutional success.

Good Government Governance (GGG) significantly impacts employee performance by creating a transparent and measurable framework. When principles such as accountability and the rule of law are upheld, employees gain clarity regarding work targets and ethical standards. An environment that prioritizes information transparency minimizes uncertainty in decision-making, allowing employees to focus on achieving organizational goals without unnecessary bureaucratic hurdles. Furthermore, good governance enhances employee morale and integrity through a culture of fairness. In a GGG system, rewards and sanctions are based on objective assessments, directly boosting intrinsic motivation to continue achieving. Active participation in the policy process also fosters a greater sense of responsibility among employees for the agency's success. Therefore, strengthening good governance is not merely about improving administration but also a key driver for fostering professionalism and effective public service.

The implementation of good government governance (GGG) serves as a crucial bridge, ensuring that the impact of the transfer of power is positively channeled towards improving employee performance. When power transfers occur, governance principles such as transparency and the rule of law act as filters that reduce bureaucratic uncertainty. With strong GGG standards in place, leadership changes are no longer viewed as threats or disruptions, but rather as measurable institutional processes. This creates a stable and predictable work environment, where employees maintain clear operational guidelines, thus maintaining their motivation and focus in carrying out public service duties even when there is succession at the top level. More specifically, this mediating role is evident in how accountability and professionalism within GGG maintain the integrity of the reward and sanction system during the transition. Transfers of power often bring about changes in managerial style, but through a good governance framework, these changes remain grounded in meritocracy and not merely subjective political preferences. When employees perceive that the power transfer process upholds the principles of fairness and participation, their trust in the organization increases. This sense of trust is what then converts the momentum of the power shift into a significant performance boost, because employees feel professionally secure and supported by a healthy and credible organizational system.

Good Government Governance (GGG) can mediate the influence of organizational culture on employee performance by acting as a bridge that transforms abstract values into structured work practices. A strong organizational culture, such as the values of integrity and professionalism, requires a formal framework of transparency and accountability to have a

tangible impact on work effectiveness. Through the principles of good governance, these cultural values are internalized into a clear bureaucratic system, so that employees have definite guidelines in carrying out their duties and feel confident that each of their contributions is assessed objectively. The presence of GGG as a mediating variable also ensures that the positive influence of the work environment does not stop at the level of satisfaction, but rather leads to the achievement of accountable performance. With clean governance, the potential for behavioral deviations can be suppressed, so that the organization's energy remains focused on providing optimal public services. This creates a cycle in which a supportive work culture encourages the strengthening of the governance system, which ultimately motivates employees to deliver their best performance because they are working in a fair, responsive, and results-oriented system.

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