

The Influence of Employee Welfare and Organizational Culture on Employee Loyalty: The Mediating Role of Employee Performance at Bank Aceh Syariah, Banda Aceh

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Abstract

This study aims to describe the state of employee well-being, organisational culture, performance and loyalty at Bank Aceh Syariah, as well as to analyse the influence of well-being and organisational culture on employee loyalty, both directly and indirectly via performance as a mediating variable. This study employs a quantitative approach using a survey method. The study population consists of 283 employees of Bank Aceh Syariah, and the entire population was sampled using a census technique. Data were collected through the distribution of a questionnaire designed based on the research variables' indicators. Data analysis was conducted using Structural Equation Modelling (SEM) with the AMOS programme. The results of the study at Bank Aceh Syariah indicate that all variables fall into the good/high category, with a mean value of 3.78 for well-being, 3.61 for organisational culture, 3.91 for performance, and 3.65 for employee loyalty. Partially, well-being has a positive and significant effect on loyalty ($p = 0.005$) and on performance ($p = 0.008$). Organisational culture also has a positive and significant effect on loyalty ($p = 0.003$) and performance ($p = 0.012$). Performance has a positive and significant effect on employee loyalty ($p = 0.000$). In the mediation test, the direct effect of well-being on loyalty was -0.592, whilst the indirect effect via performance was 0.573 (0.503×1.141), indicating competitive mediation. Similarly, the direct effect of organisational culture on loyalty was -0.152, whilst the indirect effect via performance was 0.234 (0.206×1.141), which also indicates competitive mediation. The implications of this study confirm that improving welfare, strengthening organisational culture, and optimising performance management are key strategies for Bank Aceh Syariah to enhance employee loyalty in a sustainable manner.

Keywords:

Well-being; Organisational Culture; Performance; Employee Loyalty at Bank Aceh Syariah.

1. INTRODUCTION

This study employs a quantitative approach with a causal-associative design to analyse the influence of organisational well-being and culture on employee loyalty, both directly and indirectly via employee performance as a mediating variable. The research was conducted at PT Bank Aceh Syariah in Banda Aceh. A causal-associative design was chosen because the study not only describes the conditions of each variable but also tests patterns of cause-and-effect relationships based on the conceptual framework and hypotheses that have been formulated. Nevertheless, conclusions are limited to the empirical relationships found based on respondent data and the context of the organisation under study.

A quantitative approach was used as all variables were measured in a structured manner and expressed as numerical data. This approach enabled the researcher to test hypotheses objectively, compare the strength of influence between variables, and assess the mediating role of employee performance using statistical

techniques. Data collection was conducted cross-sectionally, that is, at a specific point in time, so that respondents' answers reflect their perceptions of well-being, organisational culture, performance, and loyalty at the time the research was conducted.

The research population comprised all active employees of PT Bank Aceh Syariah Banda Aceh working in various departments or work units. The diversity of these units was important for obtaining a more comprehensive picture of the organisation's conditions. The sample was selected using purposive sampling, whereby respondents were chosen based on criteria aligned with the study's objectives. Selection criteria included being an active employee, having sufficient length of service to understand company policies and culture, and being directly involved in operational activities. These criteria were intended to ensure that respondents possessed sufficient experience to provide relevant assessments of the research variables. The sample size was determined by considering the population size and the requirements of the analytical techniques employed.

Primary data was obtained by distributing questionnaires to respondents who met the criteria. Each statement was measured using a five-point Likert scale, with a score of 1 for 'strongly disagree', 2 for 'disagree', 3 for 'neutral', 4 for 'agree', and 5 for 'strongly agree'. Before completing the questionnaire, respondents were provided with an explanation of the research objectives, the confidentiality of their identities, and the voluntary nature of their participation. This step was taken to uphold research ethics and encourage respondents to provide honest answers based on their actual experiences.

In addition to primary data, the study may utilise secondary data such as company profiles, employee numbers, organisational structures, and human resources policies. Data collected via the questionnaire then undergoes editing, coding, tabulation, and a completeness check. Hypothesis testing is conducted at a predetermined significance level to ensure that decisions to accept or reject a hypothesis have a clear statistical basis.

The well-being variable, as the first independent variable, describes the extent to which the company meets employees' material and non-material needs. Its measurement may include compensation, allowances, health insurance, occupational safety, work-life balance, and the company's attention to employees' psychological well-being. The organisational culture variable, as the second independent variable, reflects the values, norms, beliefs and customs that guide the behaviour of organisational members. Indicators may include integrity, cooperation, discipline, service orientation, communication, and consistency in the application of organisational values.

Employee performance is positioned as a mediating variable because good well-being and a strong organisational culture are expected to enhance employees' ability and motivation to carry out their work.

Performance is measured through work quality, quantity of output, timeliness, responsibility, effectiveness and the ability to work collaboratively. Meanwhile, employee loyalty, as the dependent variable, indicates employees' attachment to and willingness to maintain their relationship with the company. Loyalty can be reflected through commitment, compliance, a sense of belonging, a willingness to give one's best, and a desire to remain working within the organisation.

The research instruments were first tested to ensure the quality of the measurements. Validity tests were used to determine whether each statement item was capable of measuring the intended construct, whilst reliability tests assessed the consistency of responses across items within a single variable. Once the data were deemed suitable, a descriptive analysis was carried out to describe the characteristics of the respondents and the trends in their responses. Subsequently, path analysis was used to test the direct effects of well-being and organisational culture on performance and loyalty, as well as the effect of performance on loyalty. Indirect effects were analysed to determine whether performance truly mediates the relationship between the two independent variables and employee loyalty. The selection of these variables was based on phenomena observed within Bank Aceh Syariah, namely the company's efforts to improve employee welfare and strengthen organisational culture to support work performance and retain staff. The research findings are expected to provide empirical evidence regarding the factors that most influence loyalty. In practical terms, the findings can serve as a basis for management to evaluate and formulate more appropriate policies on employee welfare, cultural internalisation, and performance development. Academically, this study is expected to enrich the field of human resource management, particularly regarding the mechanisms by which loyalty is formed through performance improvement within the context of Islamic banking. (Achmad et al., 2024).

Data collection techniques were carried out through observation, brief interviews, documentation, and the distribution of questionnaires to respondents. The research instruments were designed based on indicators for each variable, drawing on theory and previous research. The welfare variable was measured using indicators of compensation, allowances, workplace facilities, and other welfare guarantees. Organisational culture was measured through organisational values, communication, cooperation, discipline, and the working environment. Employee performance was measured through work quality, work quantity, punctuality, responsibility, and ability to cooperate. Meanwhile, employee loyalty was measured through commitment to the company, compliance with rules, desire to remain with the company, and willingness to uphold the organisation's reputation. Prior to data analysis, the research instruments were tested for validity and reliability to ensure that each question item was suitable for use in the study. Subsequently, the data were analysed descriptively to describe the characteristics of the respondents and the conditions of each research variable.

Preliminary research conducted on a number of employees at Bank Aceh Syariah indicated that well-being and organisational culture are closely linked to improved performance and employee loyalty. Employees who feel they enjoy good well-being and work in a conducive organisational environment tend to demonstrate greater work enthusiasm, productivity, and loyalty to the company (Anita et al., 2012).

The data analysis method used in this study is Partial Least Squares (PLS)-based Structural Equation Modelling (SEM) using the SmartPLS software. SEM-PLS analysis was chosen because it is capable of analysing relationships between variables simultaneously, including both direct and indirect effects via mediating variables. The analysis began with testing the outer model to assess convergent validity, discriminant validity, and construct reliability. Once the measurement model was found to meet the criteria, an inner model test was conducted to determine the relationships between the research variables. Hypothesis testing was carried out by examining the path coefficient, t-statistic, and p-value at a 5% significance level. Through this analysis, it can be determined to what extent organisational well-being and culture influence employee loyalty, both directly and through employee performance as a mediating variable. It is hoped that the results of this study will contribute theoretically to the development of human resource management science and provide practical insights for PT. Bank Aceh Syariah Banda Aceh in improving well-being, strengthening organisational culture, enhancing performance, and building employee loyalty to support the sustainable achievement of the company's objectives (Ningrum & Purnamasari, 2022).

Previous research indicates that employee well-being and organisational culture are key factors that can influence employee loyalty and performance within a company. According to Hasibuan (2022), employee well-being constitutes additional benefits provided by the company to meet employees' physical and psychological needs, thereby enhancing work motivation, productivity, and loyalty towards the company. In line with this view, research conducted by Subardjono (2017) explains that employee well-being has a positive effect on increasing motivation and work performance, as employees who feel cared for by the company tend to have a higher commitment to the organisation. Thus, well-being is one of the factors capable of strengthening the emotional bond between employees and the company.

In addition to well-being, organisational culture is a key factor in shaping employees' attitudes, behaviour, performance and loyalty. Robbins and Judge (2017) explain that organisational culture is a system of shared values, beliefs, assumptions and norms embraced by the organisation's members and used as a guide for their actions. Organisational culture provides a company with its identity. Values that are consistently understood and applied can help employees recognise expected behaviour and how to carry out their work.

A strong organisational culture can create a conducive working environment because every employee shares a relatively common understanding of the organisation's values and direction. This shared understanding can reduce conflict, strengthen communication, and enhance cooperation between individuals. A culture that emphasises integrity, discipline, professionalism and service can also encourage employees to work effectively. Conversely, a culture that is not consistently applied can lead to ambiguity, reduce motivation and weaken employees' commitment to the company.

The relationship between organisational culture and employee performance has been supported by a number of previous studies. Keke et al. (2025) found that organisational culture has a positive and significant effect on employee performance at PT Global Internusa Line. These findings demonstrate that the better the organisation's values and practices are implemented, the greater the likelihood that employees will demonstrate higher productivity and work quality. A positive culture can foster a sense of responsibility, guide work behaviour, and encourage employees to complete tasks in accordance with standards.

Consistent results were reported by Al Ayyubi and Ratnawati (2025), who found that organisational culture has a positive effect on employee performance. That study also identified organisational learning as a mediating variable. This means that a culture that supports openness, knowledge sharing, evaluation and innovation can enhance the organisation's capacity to learn. This learning process helps employees adapt to change, improve working methods, and develop their competencies. The influence of organisational culture on performance can occur directly or through an increase in the learning capacity of the organisation's members.

In addition to being linked to performance, organisational culture also influences employee loyalty. Loyalty is a factor that supports the sustainability of a company, as loyal employees tend to be committed to staying with the organisation, safeguarding its reputation, and making their best contribution. Istijanto (2015) explains that employee loyalty stems from a sense of belonging and emotional attachment to the company. Loyalty is demonstrated not only by length of service but also through compliance with regulations, a willingness to safeguard the organisation's interests, a sense of responsibility towards one's work, and a willingness to face challenges alongside the company.

Nur'aeni and Brahmana (2025) demonstrate that organisational culture has a positive and significant influence on employee loyalty at PT Garment Sukabumi. The study also found that leadership style and organisational culture can enhance loyalty, both directly and via job satisfaction as a mediating variable. These findings suggest that the implementation of organisational values, supported by leadership, can create a pleasant and meaningful work experience. When employees feel valued, treated fairly, and receive support from the organisation, job satisfaction increases, thereby strengthening their desire to remain part of the company.

Research by Ginting, Nursaid and Sanosra (2025) expands on this understanding by demonstrating that organisational culture, compensation and career development have a positive impact on employee engagement and retention. Organisational culture provides a psychological and social foundation, whilst compensation and career development meet economic needs and support professional growth. The combination of these factors can boost engagement as employees perceive a balance between their contributions and the benefits they receive. Engaged employees tend to demonstrate a sense of belonging, a willingness to perform better, and a desire to remain within the organisation.

In the context of PT Bank Aceh Syariah Banda Aceh, organisational culture becomes increasingly important because Islamic banking activities demand integrity, trust, compliance, professionalism and a service-oriented approach. Organisational values aligned with Sharia principles need to be embodied in day-to-day work behaviour, not merely stated in formal rules. When these values are supported by adequate welfare programmes, employees are likely to feel more secure, valued and connected to the company. This can boost motivation and performance, which in turn strengthens their loyalty.

Based on these various empirical studies, it can be concluded that employee wellbeing and organisational culture are closely linked to employee loyalty. Wellbeing fulfils both material and non-material needs, whilst organisational culture shape's identity, behavioural direction, and the quality of working relationships. Both factors can influence loyalty directly and indirectly through improved employee performance. Therefore, performance should be considered as a mediating variable to explain the mechanism by which well-being and organisational culture influence loyalty. This framework of relationships forms the basis for research to test whether improving well-being and strengthening organisational culture can enhance performance and, ultimately, retain the loyalty of employees at PT Bank Aceh Syariah Banda Aceh.

2. RESEARCH METHOD

This study employs a quantitative approach with an associative-causal research design. This approach was chosen because the study seeks to measure and explain the causal relationship between employee well-being, organisational culture, employee performance and employee loyalty using numerical data. Specifically, the study aims to determine the direct influence of employee well-being and organisational culture on employee loyalty, whilst also testing the indirect influence of these two variables through employee performance as a mediating variable. The study was conducted at PT Bank Aceh Syariah Banda Aceh as the company possesses organisational characteristics relevant to human resource management within the Islamic banking sector.

The study population comprised all employees of PT Bank Aceh Syariah Banda Aceh at the time the research was conducted. The sample was determined based on the available population size and the researcher's access to respondents. Where the population size is relatively large, the sample may be determined using purposive sampling based on criteria such as employment status, length of service and involvement in operational activities. However, where the accessible population is relatively limited, the study may employ saturation sampling by involving all members of the population as respondents. The choice of these techniques aims to obtain data that is representative and appropriate for the research analysis.

The type of data used is primary data obtained from respondents via the distribution of questionnaires. The questionnaires were designed using a five-point Likert scale, offering response options ranging from 'strongly disagree' to 'strongly agree'. Each response option is scored sequentially from one to five so that respondents' perceptions can be converted into quantitative data and analysed statistically. The use of the Likert scale enables researchers to systematically measure the level of respondents' agreement with statements relating to each research variable (Soendari, 2012).

Data collection was carried out through observation, brief interviews and the distribution of questionnaires. Observation was used to obtain an initial overview of working conditions, interaction patterns and the implementation of organisational activities. Brief interviews were conducted with relevant parties to supplement information regarding welfare policies, the implementation of organisational culture, performance conditions and trends in employee loyalty. Subsequently, questionnaires were distributed to respondents who met the research criteria. Before completing the questionnaire, respondents were provided with an explanation of the research objectives, the confidentiality of their identities, and the voluntary nature of participation to ensure that the data obtained was honest and reliable.

The research instrument was designed based on indicators for each variable. The variable of well-being can be measured through compensation, allowances, health insurance, occupational safety, and work-life balance. Organisational culture can be measured through shared values, communication, cooperation, discipline, integrity and service orientation. Employee performance encompasses the quality of work output, the quantity of work, timeliness, effectiveness and responsibility. Employee loyalty, meanwhile, can be assessed through commitment, compliance, a sense of belonging, a willingness to uphold the company's reputation and a desire to remain with the organisation.

Before the data were analysed, the validity and reliability of the instruments were first tested. The validity test aimed to ensure that each statement item was capable of measuring the intended construct, whilst the

reliability test was used to assess the consistency of responses across each variable. Instruments that met the criteria for validity and reliability were deemed suitable for use in the subsequent analysis.

The data were then analysed descriptively to describe the characteristics of the respondents, such as gender, age, educational level, length of service, and work unit, as well as to explain the trends in respondents' answers for each research variable (Rachman, 2018).

The analysis in this study utilised path analysis, specifically Structural Equation Modelling (SEM) based on Partial Least Squares (PLS), with the aid of the SmartPLS software. The SEM-PLS method was chosen because it is capable of analysing the relationships between latent variables simultaneously and testing models involving mediating variables. The analysis was carried out through the evaluation of measurement models and structural models. The evaluation of measurement models was used to assess convergent validity, discriminant validity, and construct reliability. Meanwhile, the structural model evaluation was carried out to assess the coefficient of determination, predictive validity, and the magnitude of the effects between variables.

Hypothesis testing was conducted by examining the path coefficients, t-statistics, and p-values at a five per cent significance level. Path coefficients indicate the direction and strength of the relationship, whilst t-statistics and p-values are used to determine the significance of the effects. Mediation effects were analysed by comparing the direct and indirect influences of well-being and organisational culture on loyalty via performance. Based on these results, it can be determined whether performance acts as a full mediator, a partial mediator, or does not mediate the relationship under examination.

The research findings are expected to provide an empirical insight into the importance of well-being and organisational culture in building employee loyalty through improved performance. For the management of PT Bank Aceh Syariah Banda Aceh, the research findings can serve as a basis for evaluating policies on compensation, workplace facilities, staff development, and the implementation of organisational values. Academically, this study is expected to enrich research in human resource management, particularly regarding the relationship between well-being, organisational culture, performance, and loyalty within the context of Islamic banking (Moleong, 2006).

3. RESULTS AND DISCUSSION

3.1. Results

This study aims to analyse the influence of employee well-being and organisational culture on employee loyalty, with performance as a mediating variable, at Bank Aceh Syariah. Prior to testing the hypotheses, the research instruments were first tested to ensure that each item was capable of measuring the research variables accurately and consistently. The instrument quality testing included validity and reliability tests for the variables of employee well-being, organisational culture, performance, and loyalty.

The results of the validity test using Confirmatory Factor Analysis (CFA) showed that all indicators for each variable had a factor loading value above 0.50. These results indicate that all items were deemed valid and suitable for use as research instruments. The highest factor loading value was found in indicator Y5, at 0.987. This value indicates that indicator Y5 has a very strong relationship with the construct it measures, meaning it is able to represent the research variable very well.

Furthermore, the reliability test results show that all constructs have a Construct Reliability (CR) value above 0.70 and a Variance Extracted (VE) value above 0.50. These findings demonstrate that all research variables possess a good level of internal consistency and are capable of adequately explaining the variance in the indicators. Consequently, the instrument used has met the requirements for validity and reliability and is therefore suitable for use in further analysis, including testing the direct and indirect relationships between variables within the research model (Darmawan et al., 2025).

Furthermore, the normality test showed that most of the data met the univariate normality assumption because the critical ratio (c.r.) values for skewness and kurtosis were within the range of ± 2.58 . Although there were several indicators that slightly exceeded this limit, the deviations were still considered marginal and did not indicate any serious violations. However, multivariate data indicate non-normality due to a multivariate kurtosis value of 72.964 with a c.r. of 19.746. Nevertheless, the analysis can proceed as the Maximum Likelihood estimation method is considered sufficiently robust to deviations from normality given an adequate sample size. Furthermore, the results of the outlier test indicate the presence of several observations with high Mahalanobis d-squared values and probabilities below 0.05, suggesting they are multivariate outliers. However, these data points were retained as they are still considered capable of representing actual field conditions and do not significantly influence the research model.

A Model Goodness of Fit test was conducted to determine the level of fit between the research model and the empirical data. The test results showed that most indices met the goodness of fit criteria. A Chi-Square value of 231.602 indicates that the model has a good level of fit. A probability value of 0.214 (>0.05), a CMIN/DF of 1.438 (<2.00), and an RMSEA of 0.05 (<0.08) indicate that the research model falls within the 'good fit' category. Furthermore, other indices such as GFI of 0.981, TLI of 0.954, CFI of 0.962, and NFI of 0.951 also indicate an excellent level of model fit. Consequently, the structural model constructed in this study is deemed suitable for use in hypothesis testing.

The results of the descriptive hypothesis testing show that all research variables fall into the good or high category. The well-being variable obtained a mean value of 3.78, organisational culture 3.61, performance 3.91, and employee loyalty 3.65. All these mean values are above the category threshold of 3.41, indicating that respondents hold a positive perception of the internal conditions at Bank Aceh Syariah. The highest score was found in the performance variable, indicating that employees possess a high level of productivity and work capability. Meanwhile, employee loyalty falling within the high category indicates a commitment and desire among employees to remain with the company. These results demonstrate that the well-being and organisational culture implemented by the company have successfully created a conducive working environment that supports improved performance and employee loyalty (Perdana et al., 2024).

Testing the hypothesis of direct influence shows that well-being has a positive and significant effect on employee loyalty with a significance value of 0.005 (<0.05). These results indicate that the better the welfare provided by the company, the higher the employees' loyalty to the organisation. The welfare in question includes salary, allowances, workplace facilities, and social security, which enhance employees' sense of comfort and emotional attachment to the company. Furthermore, organisational culture was also found to have a positive and significant effect on employee loyalty, with a significance value of 0.003 (<0.05). This indicates that a strong organisational culture fosters a sense of community, organisational identity, and higher work commitment among employees. A positive organisational culture also creates a harmonious working environment, thereby enhancing loyalty to the company.

The research findings indicate that employee well-being and organisational culture have a positive and significant impact on employee performance. The impact of well-being on performance is indicated by a significance value of 0.008, whilst the impact of organisational culture on performance has a significance value of 0.012. These findings suggest that the higher the level of employee well-being and the more positive the culture fostered by the company, the higher the level of performance employees can achieve.

Well-being is a crucial factor that helps employees perform their jobs to the best of their ability. Meeting economic needs through salaries, allowances, health insurance and adequate workplace facilities can provide a sense of security and alleviate employees' concerns regarding their basic needs. When these needs are met, employees are in a more stable physical and psychological state, enabling them to focus their attention on their tasks. This fosters motivation, work ethic, discipline, and a willingness among employees to give their best effort in achieving the organisation's targets.

A positive organisational culture also creates an environment that supports improved performance. Shared values, norms, and work practices provide guidelines on how employees should behave, communicate, and fulfil their responsibilities. A culture that emphasises integrity, professionalism, cooperation, service and compliance with Sharia principles can clarify work standards at Bank Aceh Syariah. This clarity facilitates coordination, reduces conflict and builds harmonious working relationships. In such an environment, employees are more motivated to work productively because they understand the company's objectives, their roles and the expected outcomes.

Further test results demonstrate that performance has a positive and significant effect on employee loyalty. A significance value of 0.000—which is smaller than 0.05—indicates that the higher an employee's performance, the greater their loyalty to the company. High-performing employees are generally able to make tangible contributions and achieve the expected results. When these contributions are recognised, they feel valued, needed, and hold an important position within the organisation. This positive experience fosters pride, a sense of belonging, commitment, and a desire to remain with the company and support its success. These findings are consistent with those of Sari (2016).

Loyalty is not merely demonstrated by the length of time an employee remains with the company. Loyalty is also reflected through compliance with policies, a willingness to uphold the organisation's reputation, support for change, and a commitment to providing the best possible service to customers. Employees who are able to perform optimally tend to have a stronger psychological connection to their work. They view the company's success as part of their own personal success and are therefore more willing to maintain their employment relationship. Therefore, performance management is not merely a means of measuring results, but also an instrument for strengthening employee engagement.

In the mediation hypothesis test, performance was found to be a mediating variable in the relationship between well-being and employee loyalty. The magnitude of the indirect effect of well-being on loyalty via performance is 0.573. This positive value indicates that well-being will be more effective in enhancing loyalty when it first improves performance. In other words, the facilities and benefits provided by the company create better working conditions, which in turn boost productivity and ultimately strengthen employee loyalty. Performance acts as the mechanism that translates the company's support for employees' needs into work contributions and commitment to the organisation.

Performance also mediates the relationship between organisational culture and loyalty, with an indirect effect of 0.234. A conducive organisational culture provides values, rules and patterns of interaction that support productivity. When this culture successfully enhances work quality, discipline and responsibility, employees gain a sense of achievement that strengthens their belief in the organisation. Achieving performance then fosters a sense of pride and encourages the desire to remain part of the company. Thus, strengthening the

culture will be more meaningful for loyalty if the organisation's values are truly embodied in productive work behaviour.

Interestingly, the research findings show that the direct effects of well-being and organisational culture on loyalty are negative, whilst the indirect effects via performance are positive. This pattern of opposing effects is known as competitive mediation. This finding emphasises that improving well-being and strengthening organisational culture do not automatically result in loyalty if they fail to drive improved performance. In this research model, performance acts as a crucial bridge that transforms the benefits of well-being and the quality of organisational culture into work experiences that foster commitment and loyalty.

Overall, well-being, organisational culture and performance are strategic factors that require management. Bank Aceh Syariah needs to improve the quality of compensation and facilities, strengthen the implementation of organisational values, provide training, set clear targets, and conduct fair evaluations and rewards. A transparent performance management system will help employees understand their contributions and opportunities for development. Through these efforts, organisational support can be transformed into sustained productivity, commitment and loyalty, whilst supporting the company's long-term success.

3.2. Discussion

3.2.1. Conditions of Well-being, Organisational Culture, Performance, and Employee Loyalty

Good welfare conditions can, in turn, foster the perception that the company values its employees' contributions. The organisation's attention to employees' economic and social needs creates a sense of being cared for, whilst strengthening the emotional bond between employees and the company. Employees who receive benefits commensurate with their responsibilities tend to feel satisfaction, security and fairness in their work. These feelings can encourage a willingness to remain with the organisation, uphold the company's reputation, and make consistent contributions. This finding is consistent with Pratama's research, as cited by Agmasari and Septyarini (2023), which states that welfare can enhance employee loyalty.

Organisational culture achieved an average score of 3.61 and falls into the 'good' category. This score indicates that values, norms, customs and work practices have been implemented positively within the environment of Bank Aceh Syariah. A sound organisational culture provides guidelines for employees in terms of conduct, communication, decision-making and the fulfilment of responsibilities. In the context of Islamic banking, organisational culture is also vital to ensure that work activities are focused on achieving targets and reflect integrity, professionalism, service, and compliance with Sharia principles.

A conducive organisational culture helps foster cooperation, discipline and harmonious working relationships amongst employees. When organisational values are understood and practised collectively, employees find it easier to build trust, resolve differences and coordinate efforts to achieve objectives. Such an environment cultivates a sense of togetherness and collective identity, so that employees feel they are an integral part of the company. This sense of belonging can enhance emotional attachment and strengthen the desire to remain with the organisation. These findings are consistent with research by Setyowati (2024) and Nur'aeni and Brahmana (2025), who state that organisational culture influences employee loyalty.

Among all the variables analysed, employee performance achieved the highest average score, namely 3.91. This figure indicates that employees are deemed capable of working productively to support the achievement of the company's targets. High performance is reflected in the quality of work output, the timeliness of task completion, discipline, responsibility, the ability to work collaboratively, and a willingness to provide the best possible service to customers. The highest score for this variable also indicates that Bank Aceh Syariah's human resources possess the capacity to carry out operational functions and meet the demands of their roles.

High employee performance is inextricably linked to their welfare and the established organisational culture. Adequate welfare helps employees work in a more stable physical and psychological state, whilst a positive organisational culture provides clear direction and standards of behaviour. The combination of these two factors can enhance motivation, focus, discipline and a sense of responsibility towards work outcomes. When employees feel that their needs are being addressed and that they are in a supportive environment, they are more motivated to utilise their abilities to the full. Thus, employee wellbeing and organisational culture form the foundation that helps maintain performance at a high level.

Meanwhile, employee loyalty achieved an average score of 3.65 and falls into the 'good' category. This indicates a willingness among employees to remain part of the organisation, comply with policies, uphold the company's reputation, and contribute to shared objectives. Such loyalty is important as it can reduce the desire to change jobs, maintain workforce stability, and preserve the organisation's accumulated experience. Overall, the descriptive findings confirm that the internal conditions at Bank Aceh Syariah are functioning well.

Adequate welfare, a strong organisational culture, and high performance are key factors in building loyalty and ensuring the organisation's sustainability. Therefore, the company needs to consistently maintain and improve these three aspects so that working relationships, service quality, and the achievement of organisational objectives continue to develop (Agmasari & Septyarini, 2023).

3.2.2. The Influence of Welfare and Organisational Culture on Loyalty and Performance

The results of the hypothesis testing indicate that employee wellbeing has a positive and significant effect on employee loyalty. This is demonstrated by a significance value of 0.005, which is smaller than the significance threshold of 0.05. Consequently, the hypothesis stating that employee wellbeing influences employee loyalty can be accepted. This finding demonstrates that the better the welfare provided by the company, the greater the tendency for employees to be loyal, retain their employment, and support the achievement of organisational goals. This finding is consistent with Sinta (2022).

Employee wellbeing can be realised through various means, such as the provision of a fair salary, appropriate allowances, health insurance, adequate workplace facilities, and a safe and comfortable working environment. These benefits not only meet employees' economic needs but also provide a sense of security in carrying out their work. When employees perceive that the company cares about their needs and circumstances, a sense of being valued, recognised, and treated fairly develops. These positive feelings foster job satisfaction whilst strengthening employees' psychological bond with the organisation. Employees who feel a sense of well-being are less likely to move to another company because they have gained comfort, certainty and a valuable work experience.

The loyalty that stems from the fulfilment of well-being is not merely reflected in length of service. It is also evident in employees' willingness to uphold the company's reputation, adhere to regulations, fulfil their responsibilities diligently, and continue to support the organisation when facing challenges. Therefore, well-being policies should be viewed as an investment in human resources, rather than merely an operational cost. Through appropriate and fair policies, companies can reduce employees' desire to leave, maintain workforce stability, and retain the knowledge and experience that have been built up within the organisation.

In addition to employee wellbeing, organisational culture has been shown to have a positive and significant influence on employee loyalty. A p-value of 0.003, which is below 0.05, indicates that organisational culture plays a tangible role in shaping employee loyalty. A strong organisational culture fosters shared values, norms and patterns of behaviour that are collectively understood and practised. This shared understanding cultivates a sense of belonging, clarifies the organisation's identity, and helps employees see themselves as an integral part of the company. According to Manikotama et al. (2022), organisational culture can also strengthen employees' emotional attachment as they perceive a sense of purpose, principles and a social environment that align with their cherished values.

In the context of Bank Aceh Syariah, a consistent organisational culture can be reflected through the application of the values of integrity, professionalism, service, cooperation and adherence to Sharia principles. If these values are not merely slogans but are embodied in the behaviour of leadership, decision-making processes, communication, and the awarding of recognition, employees will find it easier to trust the organisation. This trust fosters a sense of belonging and encourages employees to maintain long-term employment relationships. Conversely, a discrepancy between stated values and day-to-day practices can reduce commitment and weaken loyalty.

This study also found that well-being and organisational culture have a positive influence on employee performance. The influence of well-being on performance is indicated by a significance value of 0.008, whilst the influence of organisational culture is indicated by a value of 0.012. Both values are smaller than 0.05; therefore, each influence is deemed significant. Good wellbeing enables employees to work in a more stable physical and psychological state. Employees can focus on their tasks, boost their morale, and reduce concerns about basic needs. At the same time, a clear organisational culture provides guidelines on behaviour, work standards and ways of interacting, so that work can be carried out in a more focused, disciplined and consistent manner.

The combination of well-being and organisational culture ultimately creates working conditions that support productivity. Employees whose needs are addressed and who are part of a healthy culture tend to be more motivated, take responsibility for outcomes, and are willing to give their best effort. The impact can be seen in improved service quality, timely task completion, the ability to work together, and the achievement of organisational targets. Thus, loyalty and performance are not two separate outcomes, but can develop simultaneously when an organisation is able to meet employees' needs whilst providing value and a supportive working environment.

Based on these findings, employee wellbeing and organisational culture are strategic factors for Bank Aceh Syariah in developing a productive, loyal and committed workforce. Management needs to periodically review compensation and benefits policies, ensuring benefits are distributed fairly and aligned with employees' needs. On the other hand, strengthening the organisational culture requires leadership by example, internal communication, training, recognition schemes, and the consistent application of organisational values. Continuous efforts in both these areas will enhance employee satisfaction, a sense of belonging and work quality, whilst supporting the organisation's sustainability and improving the quality of service to customers (Wulandari, 2025).

3.2.3. The Role of Performance in Mediating Employee Loyalty

The research findings indicate that employee performance has a positive and significant effect on employee loyalty. This conclusion is based on a significance value of 0.000, which is lower than the

significance threshold of 0.05. The positive direction of the effect demonstrates that an improvement in employee performance is followed by an increase in loyalty to the organisation. The better employees are at completing their work, meeting targets, maintaining service quality and fulfilling their responsibilities, the stronger their tendency to remain with the organisation and support the achievement of its objectives.

High performance not only produces better work output but also fosters a positive psychological experience for employees. When their work is recognised and appreciated by the company, employees feel that their abilities and contributions are meaningful to the organisation. Employees then view the organisation's success as part of their own success. This fosters a sense of commitment, a sense of belonging, and a desire to maintain their employment relationship.

Loyalty that grows through performance can be seen in various attitudes and behaviours. Employees are not only willing to remain with the company, but also strive to uphold the organisation's reputation, adhere to policies, support change, and provide the best possible service to customers. Involvement in achieving performance creates a sense of attachment that encourages them to retain their position within the organisation. Therefore, performance is a key factor in building employee loyalty, as highlighted by Maesaroh and Indriyani (2022).

This study also found that performance acts as a mediating variable in the relationship between well-being and employee loyalty. The indirect effect of well-being on loyalty via performance was recorded at 0.573. This value indicates that well-being can enhance loyalty by first driving improvements in employee performance. In other words, the benefits of well-being do not stop at creating comfort or satisfaction, but can develop into work energy that generates productive behaviour. When a company provides adequate pay, allowances, health insurance and facilities, employees are in a more stable physical and psychological state to work to their full potential.

Good wellbeing also reduces employees' concerns about economic and social needs, allowing them to focus on carrying out their duties. Employees who feel valued tend to reciprocate the company's support through discipline, responsibility and better work performance. Success at work then fosters a sense of pride, recognition and attachment, which in turn strengthens loyalty. Thus, performance serves as a pathway illustrating how welfare policies can be translated into loyalty to the organisation. The more effectively welfare drives productivity, the greater the likelihood of fostering sustainable loyalty.

In addition to mediating the influence of employee wellbeing, performance also mediates the relationship between organisational culture and employee loyalty. The magnitude of the indirect influence via performance is 0.234. This finding implies that a positive organisational culture will be more effective in enhancing loyalty if the prevailing values, norms and practices are capable of creating a productive working environment. A culture that emphasises integrity, professionalism, cooperation, discipline and service provides clear guidelines for employees in carrying out their work. Shared values also facilitate coordination, reduce conflict and foster harmonious working relationships.

In a positive cultural environment, employees can understand the standards of behaviour and the objectives to be achieved. This clarity helps them to work in a focused manner, utilise their competencies appropriately and take responsibility for the outcomes of their work. When organisational culture fosters a work experience that supports performance, employees will have greater trust in the company and feel they are an integral part of it. Improved performance then reinforces a sense of pride and the desire to remain with the organisation. This explanation is consistent with Mutiara et al. (2025), who position performance as the link between organisational culture and loyalty.

Overall, the research findings confirm that performance holds two strategic roles. Firstly, performance directly enhances employee loyalty. Secondly, performance acts as a mediating variable that channels the influence of employee wellbeing and organisational culture on loyalty. These findings indicate that the provision of employee wellbeing and the strengthening of organisational culture must be directed towards fostering productive work behaviour, rather than being viewed merely as administrative policies. The impact of these two factors on loyalty will be more effective when employees are able to translate organisational support into tangible work outcomes.

Based on these findings, Bank Aceh Syariah needs to manage employee welfare, organisational culture and performance systems in an integrated manner. The company can evaluate compensation and benefits, reinforce the exemplary nature of organisational values, provide training, set clear targets and offer fair rewards. Performance evaluations must also be conducted transparently so that employees understand their contributions and opportunities for development. A consistent strategy will foster a healthy, productive and achievement-oriented working environment. Ultimately, improved performance, supported by adequate welfare and a strong organisational culture, can sustainably strengthen employee loyalty (Lestari & Utami, 2024).

4. CONCLUSION

Based on the results of the research analysis at Bank Aceh Syariah, all research variables indicate good or high levels. This is evident from the average values of the variables: employee welfare at 3.78, organisational culture

at 3.61, employee performance at 3.91, and employee loyalty at 3.65, all of which are above the category threshold of 3.41. Thus, it can be concluded that employee welfare, organisational culture, performance, and loyalty at Bank Aceh Syariah are functioning well according to respondents' perceptions.

The results of the hypothesis testing indicate that employee welfare and organisational culture have a positive and significant influence on employee loyalty and performance. Employee welfare has a significant influence on employee loyalty with a significance value of 0.005 and on performance of 0.008. Meanwhile, organisational culture has a significant effect on loyalty of 0.003 and on performance of 0.012. Furthermore, performance was also found to have a positive and significant effect on employee loyalty with a significance value of 0.000. These findings indicate that the better the employee welfare and organisational culture implemented by the company, the higher the performance and loyalty of employees.

This study also demonstrates that performance acts as a mediating variable in the relationship between employee welfare and organisational culture on employee loyalty. The indirect effect of employee welfare on loyalty via performance is 0.573, whilst the indirect effect of organisational culture on loyalty via performance is 0.234. The difference in direction between the direct and indirect effects indicates the occurrence of competitive mediation. Thus, it can be concluded that improving well-being and strengthening organisational culture can enhance employee loyalty through improved employee performance at Bank Aceh Syariah.

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