

# The Influence of Leadership Style and Organizational Culture on Management Commitment and its Implications for Cooperatives in South ACEH

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**Abstract:** This study aims to examine the leadership style and organizational culture role in management commitment and their implications for cooperatives in South Aceh district, Indonesia. The population in this study was active cooperative administrators in South Aceh District, totaling 1,260 people. This study determined Stratified Proportional Random Sampling as a sampling method while determining the minimum number of samples used the Slovin formula so that a sample of 315 people. Data was collected by distributing questionnaires. Data is measured using a Likert scale. For descriptive testing used SPSS, for testing direct effects used SEM AMOS, and for testing indirect effects used a Sobel calculator. The result concludes that the leadership style, organizational culture, management commitment, and cooperative performance in South Aceh District are good, leadership style affects significantly the commitment of cooperative management, organizational culture affects significantly the commitment of cooperative management, leadership style affects significantly the cooperative's performance, organizational culture affects significantly the cooperative's performance, management commitment affects significantly the cooperative's performance, management commitment partially mediates the leadership style role in the cooperative's performance, and management commitment partially mediates the organizational culture role in the cooperative's performance. This explains that the model tested proves the cooperative performance improvement model is a function of the suitability of the leadership style and culture, as well as the strengthening of management commitment.

**Keywords:** Leadership Style, organizational culture, management commitment, cooperatives performance

## I. Introduction

Cooperatives are one of the central pillars or better known as pillars for the community, regional and national economy. Given the important role of cooperatives, in Indonesia, the existence and existence of a cooperative is guaranteed in the 1945 law in article 33. Cooperatives can be interpreted as an integral part of a democratic and just national economic order. In Law No. 17/2012 concerning cooperatives, it is stated that cooperatives are legal entities engaged in the field of people's economic activities with the principle of kinship. The existence of a cooperative can be a foundation and hope for the community as members and society in general who are around where a cooperative operates in solving the economic problems it is facing.

From data obtained from the South Aceh District Cooperative and MSME Service, in 2020 at South Aceh District, Indonesia, there were 391 (three hundred and ninety-one) primary cooperatives and 1 (one) secondary cooperative. Of the 391 primary cooperatives, only 272 were active, while the remaining 119 cooperatives were not active. The Regent of South Aceh in the 2019 work meeting stated that active cooperatives are cooperatives that have held annual member meetings (RAT) in the last two years or the last two years conducting business activities (Pemkab\_Aceh\_Selatan, 2019).

Although referred to as the cornerstone of the economy, in practice the growth of cooperatives in South Aceh District is not better when compared to various other forms of business. South Aceh Regent in (Pemkab\_Aceh\_Selatan, 2019) mentioned the problem that is often faced by cooperatives in South Aceh district is structural obstacles in controlling production factors, especially capital, therefore cooperatives in South Aceh district have not been able to carry out their role effectively in growing the people's economy. In managing cooperatives, all administrators still need

intense guidance from the Department of Trade, Industry, Cooperatives, and Small and Medium Enterprises (Disperindagkop UKM) of the South Aceh district.

Apart from the fact that the role of cooperatives has not been able to produce maximum results in strengthening the people's economy in South Aceh District, this is also because the community still does not know the form and role of the cooperative itself so the level of public trust in a cooperative is still very low. Because the level of trust is still very low, most people are reluctant to be directly involved as members of cooperatives or carry out the savings and loan process in cooperatives in their area.

Based on data obtained from the South Aceh UKM Disperindagkop, it was found that the weak role of cooperatives in South Aceh District in developing and growing the people's economy was caused by: 1) Member participation in decision-making in the RAT was still very low. 2) The ability of human resources management in managing the organization, management, and business is still very weak. 3) The facilities and infrastructure owned by cooperatives are still very inadequate in supporting the performance of cooperatives, 4) The ability of cooperative management to take advantage of market opportunities is still very low, 5) The ability of cooperative managers to develop business networks and partnerships is still inadequate/low. 6) Participation of members in accumulating their capital is still limited. 7) There is still a lack of access to external capital from banks and other sources which makes it difficult for cooperatives to develop.

Apart from the aspects mentioned above, currently many cooperatives in South Aceh District are facing various polemics which are very intense and hinder the growth of the cooperative itself. These problems include cooperatives still facing large non-performing loans (NPLs), limited market coverage, limited use of information technology systems, cooperative members who have not enjoyed SHU optimally, and constraints from various managerial aspects. All of these problems show that cooperative performance has not been effective and efficient in its operational activities.

In the current era of digitalization, this can be an opportunity and a challenge for cooperatives. The digitalization era has changed the paradigm and behavior that cooperative management needs to pay close attention to because the type of business, business scale, member characteristics, and the business area also have logical consequences for selecting the technology used in managing cooperatives(Prawoto, 2020). Cooperatives that are unable to keep up with digitalization developments will automatically be abandoned by their members because they are unable to meet the needs and expectations of all of these members. Therefore, in responding to this digital era, it is necessary to comprehensively study every cooperative management in running their organization so that they can work optimally. It is mandatory for every cooperative administrator to be able to create innovative technology-based programs, especially in improving the economy of all its members and the community around which cooperatives are located, so that the atmosphere of the existence of cooperatives can be felt, especially in efforts to improve the people's economy.

One of the factors that can have a direct impact on cooperatives is the commitment of the management. Commitment can be reflected as a desire to survive in an organization and will devote all its abilities to the progress of the organization. High commitment from the board is needed because high commitment will voluntarily provide maximum effort for the progress of the cooperative where the board takes shelter. Many researchers have proven that high commitment will be able to produce a good performance in the progress of the organization as evidenced by(Harmius, Mukhlis, & Musnadi, 2021), (Muhyi, 2021). Theoretically, it can be seen that commitment can be divided into 3 (three) dimensions, namely affective commitment, normative commitment, and continuing commitment. These three dimensions reflect the level of emotional involvement, morale, and integrity, as well as a personal sacrifice to the organization. The low commitment of management to cooperatives tends to be caused by many administrators who still do not understand management and the lack of understanding of management in determining policy directions following applicable regulations(Tobari, 2018).

Many factors can affect the commitment of management and cooperative performance, one of which is leadership style. In organizations, leadership is a complex phenomenon so it is very difficult to make a comprehensive formulation of the meaning of leadership. The leader in a cooperative is an entrepreneur so every leader must always think of various patterns to advance and make his cooperative much better by following applicable laws and regulations. Another factor that influences management commitment and impacts cooperative performance is organizational culture. Every organization must have an organizational culture that varies from one organization to another. Culture is the result of interaction and dialogue on various organizational components that are interrelated with one another, which in turn creates shared values between organizational elements.

## II. Literature

### Cooperative Performance

Performance is the achievement and success in implementing an activity program, both routine activities and incidental activities, which is measured by comparing target data with realization data. In organizing, organizational

performance results from the achievement of all members of the organization as measured at the end of the budget period by comparing it with the data set at the beginning of the fiscal year period. An organization is said to be high performing if the organization can produce a planned performance on quality improvement by utilizing great human resources.

A Cooperative is an institution that has a legal entity that was established to protect the needs of the people in growing their economy. Law No. 17/2012 defines cooperatives as legal entities established by individuals or cooperative legal entities and consisting of individuals who aim to move, build and develop the people's economy based on the principle of kinship. The main purpose of forming cooperatives is to become the cornerstone of the people's economy and as a counterweight to the economy in this capitalist economic era.

Law No. 25/1992 states that cooperatives are legal entities consisting of individuals, and engaging in the people's economy by adopting the principle of togetherness to prosper the people who are members and the people who are in the local cooperative environment. The Cooperative Rating Guideline (Kep. Men No. 06/Per/M. KUKM/III/2008) states cooperative performance is an activity of assessing the condition and or performance of cooperatives through an objective and transparent measurement system with certain criteria and requirements that can describe the quality level of a cooperative.

In this study, researchers concluded cooperative performance is the productivity of activities related to people's economic development calculated within a certain period. Cooperative performance can also be interpreted as the success obtained in improving the people's economy through the programs implemented by the cooperative. This meaning is taken from the definition of performance which is interpreted by experts with the definition and objectives of cooperatives based on applicable laws.

### **Management Commitment**

Employee commitment to the organization is so important that several organizations dare to incorporate elements of commitment as one of the conditions for holding an agency offered in job advertisements(Khusniah, Ibrahim, & Sofyan, 2020). Organizational commitment is a condition felt by employees that can lead to strong positive behavior towards the work organization they have(Qadariah, Majid, & Idris, 2019). (Muhyi, 2021)mentions commitment as a willingness to become a member of the organization and work hard to achieve the goals of the organization. The form of work commitment that arises is not only passive loyalty but also involves an active relationship with a work organization that has the goal of making every effort for the success of the work organization concerned(Qadariah et al., 2019).

(Soetjiptadi, Thoyib, Setiawan, & Sucherly, 2010)also proves that leadership style and organizational culture influence the commitment of cooperative management. (Soetjiptadi et al., 2010)stated that the better the leadership style applied in an organization, the more management will be able to increase the commitment to the cooperative where he works. Organizational culture is represented by the norms of behavior followed by members of the organization, including those in the organizational hierarchy. Thus the function of organizational culture is as a social partner in uniting members in achieving organizational goals in the form of provisions or values that must be said and carried out by cooperative influences.

### **Leadership Style**

The leader is a central figure who is very important in an organization. Whether the goals of an organization are achieved or not is highly dependent on the leadership style applied in the organization. (Ritonga, Ibrahim, & Bahri, 2019)mentions a leader as someone who has a program and who behaves together with group members by using a certain way or style, so that leadership has a role as a dynamic force that encourages, motivates, and coordinates companies in achieving the goals set.

In running the organization, each leader has their style in leading, directing, and motivating their employees so that they get good performance so that efforts to achieve the goals of the organization can be carried out. Leadership style is an important aspect to achieve and improve the success of one's leadership in an organization(Ritonga et al., 2019). (Yukl & Gardner, 2020)mentions that leadership style is a norm of behavior used by someone when that person tries to influence others as he wants.

From the various definitions above, leadership style can be defined as a set of ways that are applied to influence, direct, guide, and motivate members in an organization to achieve the goals of the organization by upholding the norms that apply in the organization. In practice, several types of leadership in an organization continue to develop, while the types of leadership are grouped into eight types consisting of autocratic type, free rein or laissez faire type, paternalistic type, charismatic type, militaristic type, pseudo-democratic type, situational type, and democratic type.

### Organizational culture

Organizational culture reflects the characteristics of the organization itself which consists of systems and behavioral values within the organization. Every organization has its own culture. (Robbins & Judge, 2017) emphasized that organizational culture is a system that is implemented in an organization and carried out by its members in managing the organization. In most organizations, these shared values and practices have developed rapidly along with the times and greatly influence how an organization is run.

(Schein, 1996) put forward organizational culture as a pattern of shared assumptions learned by a group in solving problems through external adaptation and internal integration, which has worked well enough to be considered correct. (Kreitner & Kinicki, 2014) mention organizational culture is shared values and beliefs that underlie corporate identity. Whereas (Zainal, Hadad, & Ramly, 2019) states that organizational culture is a framework that guides daily behavior and makes decisions for employees, and directs their actions to achieve organizational goals.

### Framework

Based on the theories described, the framework for this study is shown below.

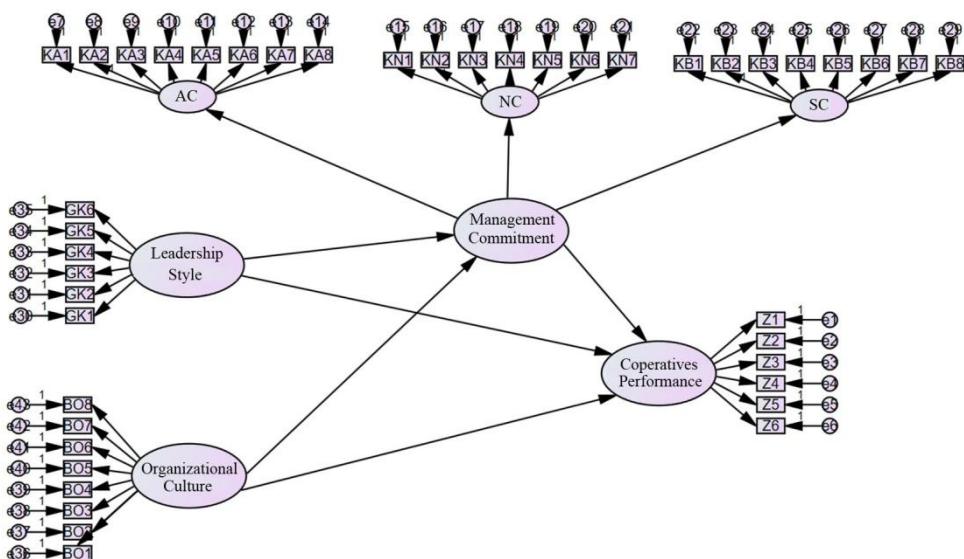


Figure 1. Framework

### Descriptive Hypothesis

H1 : Leadership Style, Organizational Culture, Management Commitment, and Cooperative Performance in South Aceh District are good

### Direct Hypothesis

H2 : Leadership Style Influences Management Commitment

H3 : Organizational Culture Influences Management Commitment

H4 : Leadership Style Influences Cooperative Performance

H5 : Organizational Culture Influences Cooperative Performance

H6 : Management Commitment Influences Cooperative Performance

### Indirect Hypothesis

H7 : Management Commitment to Mediate the Leadership Style role in Cooperative Performance

H8 : Management Commitment to Mediate the Organizational Culture role in Cooperative Performance

### III. Method

This study used a quantitative method to analyze the leadership style and organizational culture influence on management commitment and their impact on cooperative performance where research procedures produce information that comes from oral, written, and observable data from the people or subjects themselves. This research was conducted in all cooperatives in the South Aceh district. In this study, the population was all active cooperative administrators in South Aceh District, totaling 1,260 people. The sampling technique used the stratified proportional random sampling method, where the population has an equal opportunity and proportions that are balanced according

to its distribution to become a randomly selected sample(Arikunto, 2014).The minimum number of samples in this study was calculated using the Slovin formula. The sample calculation is shown below.

**Table 1. Research Population and Sample**

No	Type of Cooperative	Number of Active Cooperatives	Number of Managers	Sample Proportion	Sample
1	KUD	5	52	$\frac{52}{1260} \times 315$	13
2	KoperasiPertanian	10	89	$\frac{89}{1260} \times 315$	22
3	Koperasi Perkebunan	5	39	$\frac{39}{1260} \times 315$	10
4	KoperasiPeternakan	3	30	$\frac{30}{1260} \times 315$	8
5	Kopkan/Nelayan	9	72	$\frac{72}{1260} \times 315$	18
6	KoperasiKehutanan	2	16	$\frac{16}{1260} \times 315$	4
7	Kopinkra	10	41	$\frac{41}{1260} \times 315$	10
8	Koppontren/Kopsek	13	75	$\frac{75}{1260} \times 315$	19
9	Kopkar	4	17	$\frac{17}{1260} \times 315$	4
10	Primkop TNI/POLRI	3	11	$\frac{11}{1260} \times 315$	3
11	KoperasiPensiunan	1	3	$\frac{3}{1260} \times 315$	1
12	KoperasiSerba Usaha	84	360	$\frac{360}{1260} \times 315$	90
13	KoperasiPasar	3	20	$\frac{20}{1260} \times 315$	5
14	KoperasiSimpanPinjam	2	9	$\frac{9}{1260} \times 315$	2
15	KoperasiAngkutanDarat	2	8	$\frac{8}{1260} \times 315$	2
16	KoperasiPegawaiNegeri (KPN/KP-RI)	47	194	$\frac{194}{1260} \times 315$	49
17	KoperasiWanita	24	106	$\frac{106}{1260} \times 315$	27
18	KoperasiLainnya	40	99	$\frac{99}{1260} \times 315$	25
19	KJKS	5	19	$\frac{19}{1260} \times 315$	5
Research Sample					315

Source: Processed data (2021)

To obtain primary data for the continuation of this research, the authors took primary data from respondents from each active cooperative in South Aceh District. Based on the Slovin formula, the number of samples that meet the proportional requirements was 315 administrators. In this study, primary data collection was carried out using a questionnaire that was distributed directly to all respondents. The questionnaire was a written list of questions to respondents, the answers already existed, and all that remains was to choose according to the perceptions of each respondent. The questionnaire given to respondents was a questionnaire in electronic form with the help of a Google form. To measure variables, this study used a Likert scale. The indicators used are mentioned below.

Table 2. Research Indicators

No	Variable	Dimensions	Indicator
1	Cooperative Performance (Z)		<ol style="list-style-type: none"> <li>1. active business entities</li> <li>2. business performance</li> <li>3. cohesion and member participation</li> <li>4. orientation to service members</li> <li>5. service to the community</li> <li>6. contribution to regional development</li> </ol> <p>(Kep. Men No. 06/Per/M. KUKM/III/2008)</p>
2	Management Commitment(Y)	Affective Commitment	<ol style="list-style-type: none"> <li>1. Devotion</li> <li>2. Discussion</li> <li>3. Sense of belonging</li> <li>4. A sense of loyalty</li> <li>5. Family</li> <li>6. Emotional feelings</li> <li>7. A sense of meaningfulness</li> <li>8. A sense of belonging</li> </ol> <p>(Muhyi, 2021)</p>
		Normative Commitment	<ol style="list-style-type: none"> <li>1. Trust</li> <li>2. Not Migratory</li> <li>3. Loyalty</li> <li>4. Sacrifice</li> <li>5. Score</li> <li>6. A Kindness</li> <li>7. Loyalty</li> </ol> <p>(Muhyi, 2021)</p>
		Sustainable Commitment	<ol style="list-style-type: none"> <li>1. Future</li> <li>2. Don't want to go out</li> <li>3. The disadvantages of leaving the organization</li> <li>4. High cost</li> <li>5. Basic needs</li> <li>6. consideration</li> <li>7. Difficulty finding work</li> <li>8. Consideration of organization</li> </ol> <p>(Muhyi, 2021)</p>
3	Leadership Style(X <sub>1</sub> )		<ol style="list-style-type: none"> <li>1. Ability to direct</li> <li>2. Ability to sell/provide ideas</li> <li>3. Participation</li> <li>4. Delegation</li> <li>5. Push</li> <li>6. Ability to educate/coach</li> </ol> <p>(Siagian, 2014)</p>
4	Organizational Culture (X <sub>2</sub> )		<ol style="list-style-type: none"> <li>1. Freedom of opinion</li> <li>2. Ideas</li> <li>3. Orientation</li> <li>4. Commands</li> <li>5. Integration of objectives</li> <li>6. Integration of activities</li> <li>7. Preliminary inspection</li> <li>8. Supervision at work</li> </ol> <p>(Robbins &amp; Judge, 2017)</p>

For testing the descriptive hypothesis, this study used SPSS. Direct hypothesis testing using AMOS SEM statistical tools, and indirect hypothesis testing using a Sobel calculator. Based on Figure 1 above, mathematically the causal relationship between the constructs in the study is as follows:

$$\text{Management Commitment } (\eta_1) = \gamma_{11} \text{Leadership Style} + \gamma_{12} \text{Organizational Culture} + \zeta_1 \quad (1)$$

$$\text{Cooperative Performance } (\eta_2) = \gamma_{21} \text{Leadership Style} + \gamma_{22} \text{Organizational Culture} + \beta_{21} \text{Management Culture} + \zeta_2 \quad (2)$$

#### IV. Results and Discussion

##### Descriptive Hypothesis Test (H1)

The respondents' perceptions are shown below.

**Table 3. Recapitulation of Perception**

No	Variable	Average	Cut off	Information
1	Cooperative Performance (Z)	3.95	3.41	Good
2	Management Commitment (Y)	3.64		Good
3	Leadership Style (X1)	3.93		Good
4	Organizational culture (X2)	4.01		Good

Source: Processed data (2022)

The table above explains all variables in this study are above 3.41. The next step is the statistical test using a one-sample T-test measuring the significance ( $\alpha = 5\%$ ) and a cut-off value (3.41), which is shown below.

**Table 4. One Sample T Test**

	Test Value = 3.41					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Cooperative Performance	59.983	314	.000	20.26619	19.6014	20.9310
Affective Commitment	57.618	314	.000	25.80905	24.9277	26.6904
Normative Commitment	58.975	314	.000	22.24397	21.5019	22.9861
Sustainable Commitment	54.869	314	.000	23.44079	22.6002	24.2814
Leadership Style	59.862	314	.000	20.18683	19.5233	20.8503
Organizational culture	61.011	314	.000	28.64079	27.7171	29.5644

Source: Processed Data (2022)

Table 4 shows all variables have obtained a significance value (2-tailed) of more than 0.05. Obtaining the values explain that the result of testing hypothesis 1 is accepted. This also proves that organizational performance, management commitment, leadership style, and organizational culture in cooperatives in the South Aceh district have been going well.

### Direct Effect Test

The SEM test is figured below.

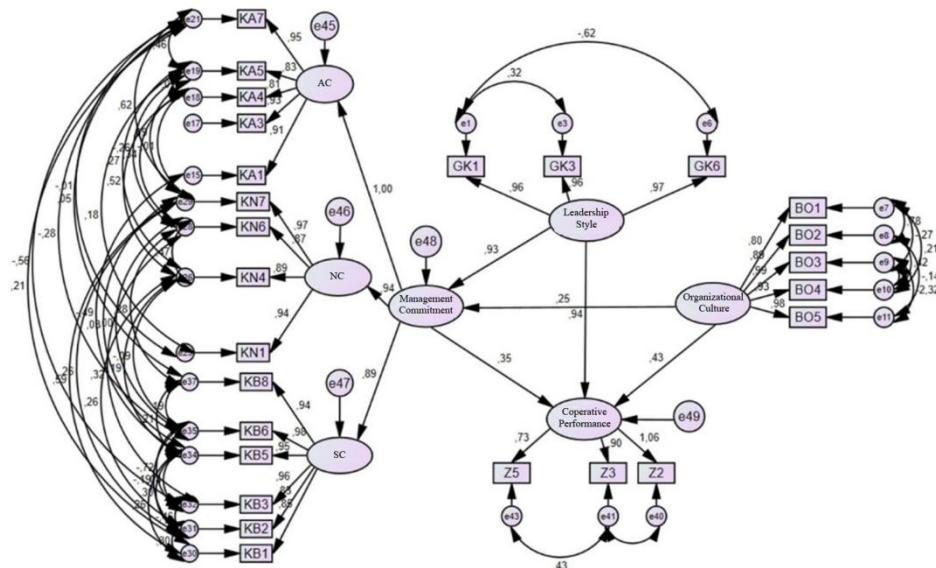


Figure 2. SEM Test

Based on the full SEM image above, the AMOS provides table 5 below.

Table 5. Regression

			Standardized	S.E.	C.R.	P
Management Commitment	<---	Leadership Style	0.927	0.033	31.264	***
Management Commitment	<---	Organizational Culture	0.251	0.029	11.250	***
Sustainable Commitment	<---	Management Commitment	0.894			
Normative Commitment	<---	Management Commitment	0.942			
Affective Commitment	<---	Management Commitment	0.996			
Cooperative Performance	<---	Organizational Culture	0.428	0.046	8.686	***
Cooperative Performance	<---	Leadership Style	0.944	0.114	6.830	***
Cooperative Performance	<---	Management Commitment	0.349	0.099	2.607	0.009

Source: Processed Data (2022)

The explanation of the Table above is as follows.

### Leadership Style on the Commitment of Cooperative Management in South Aceh District (H2)

Testing the leadership style on the commitment of cooperative management in the South Aceh district which is affected by affective commitment, normative commitment and sustainable commitment obtain a Critical Ratio (C.R)  $31.264 > 1.96$  and a probability (p)  $0.000 < 0.05$ . Obtaining this value proves that hypothesis testing 2 is accepted. This means leadership style affects significantly the commitment of cooperative management in South Aceh District. This result is supported by (Donkor, Dongmei, & Sekyere, 2021); (Muhyi, 2021); (Kawiana, Dewi, Hartati, Setini, & Asih, 2021); (Bagis, Darmawan, Hidayah, & Ikhnsani, 2020); (Arianta, Nasir, & Faisal, 2019); (Maisarah, 2018) where they prove that leadership style affects significantly organizational commitment.

The magnitude of leadership style in influencing management commitment is 0.927 or 92.7%, which explains an increase in the leadership style of 100%, it will be able to increase management commitment by 92.7%. (Soetjiptadi et al., 2010) stated that the better the leadership applied in an organization, the more management's commitment to the cooperative where he worked would increase. In an organization, leaders have a very important role in running the organization. (Muhyi, 2021) mentions commitment as a willingness to become a member of the organization and work hard to achieve the goals of the organization. (Muhyi, 2021) states that leadership style is the art of leading and achieving the goals of the organization being led. Therefore, the increase in the commitment of cooperative management plays a very large role due to the leadership style applied in the cooperative.

Field observation results reveal that increasing the commitment of management through leadership style can be done by increasing their ability to direct management and members of cooperatives to achieve cooperative goals and shared prosperity. This ability, of course, it will directly cause every administrator and member of the cooperative to be more committed to carrying out their duties so that the goals of the cooperative can be achieved. Apart from that, the leadership must also be able to improve the ability to sell/provide ideas and the ability to educate or foster cooperative members so that they become even better at achieving the goals of the cooperative. The leadership style applied must be able to increase the sense of loyalty from the management and members of the cooperative.

#### **Organizational Culture on the Commitment of Cooperative Management in South Aceh District (H3)**

Testing the organizational culture's role in the commitment of cooperative management in South Aceh District obtained a CR value of  $11.250 > 1.96$  and a  $P 0.000 < 0.05$ . This proves that testing of hypothesis 3 is accepted or explains organizational culture affects significantly the commitment of cooperative management in South Aceh District. This result is supported by(Muhyi, 2021); (Bagis et al., 2020); (Arianta et al., 2019); (Maisarah, 2018)who prove that culture affects significantly commitment.

The results also prove that the role of organizational culture in influencing management commitment is 0.251 or 25.1%, which reveals that the better the culture applied in cooperatives, the higher the commitment of management by 25.1% both in affective, normative, and continuous form. Culture shows the characteristics of each organization. Every organization has a culture that is different from other organizations. Organizational culture has a big role in creating organizational commitment for every employee. Organizational commitment can be interpreted as the level of attachment of an individual to his organization which is reflected in the attitude, loyalty, determination, and sacrifices made to achieve the goals.

From field observation results, it can be seen that efforts to increase management commitment for affective commitment, normative commitment, and sustainable commitment through organizational culture can be done by increasing supervision at work. Good work supervision and increasing it will automatically increase the culture of discipline for all management and members of the cooperative. Cooperative management must also be able to integrate goals with work realization. The cultural objectives of this integration are carried out as self-evaluation material for each cooperative administrator so that they can find out the obstacles/obstacles faced by the administrators in carrying out their duties so that improvements and improvements can be carried out in a comprehensive manner

#### **Leadership Style on Cooperative Performance in South Aceh District (H4)**

Testing the leadership style role in cooperative performance in South Aceh District obtained a CR value of  $6.830 > 1.96$  and a  $P 0.000 < 0.05$ . This can be interpreted that leadership style affectssignificantlycooperative performance. This result explains that testing hypothesis 4 is accepted. This result is supported by(Muhyi, 2021); (Adriansyah, Setiawan, & Yuniarinto, 2020), (Arianta et al., 2019), (Maisarah, 2018), (Pawirosumarto, Sarjana, & Gunawan, 2017), (Soetjiptadi et al., 2010)where in their research they proved that leadership style has a big role in achieving organizational performance so that the goals of the organization can be realized.

This study proves that leadership style has the biggest role in influencing cooperative performance, namely 0.944 or 94.4%, which reveals that the better the leadership style is applied, the more cooperative performance will be able to increase by 94.4%. Cooperatives as the pillars of the regional economy must be able to display the best performance in achieving the goals of the organization. The success of a cooperative is inseparable from the role of the leadership style applied in the cooperative. Leadership is a central factor in controlling and running an organization. Whether or not the goals of an organization are achieved depends on the leadership style applied in the organization. Leadership can be interpreted as a person's ability to guide and direct people/teams to realize the goals and objectives of the organization.

In an organization, the existence of a leader is very important because it is the backbone of the organization. Leaders have an important role in running the organization as well as being a motivator for their followers. Leadership style will determine the professionalism of the work of subordinates in achieving the goals of the organization so that leaders who can innovate, especially in the digitalization era, will be able to change and improve the values of the organization for the better, apart from that they will also be able to increase the commitment of their employees. The leader in a cooperative is an entrepreneur so every leader must always think of various patterns to advance and make his cooperative much better by following applicable laws and regulations. In his leadership in cooperatives, every leader always carries multiple responsibilities and obligations where the responsibilities and obligations are first to develop cooperatives based on economic/business institutions that are efficient and successful in market competition. The second is to support members' efforts efficiently(Kepri\_Sehat, 2013).

From the field observation result, it can be seen that to improve the performance of cooperatives, each leader must improve their artistic skills in leading and motivating the management and members of the cooperative in carrying

out their duties. Leaders must also have creative ideas for solving problems and realizing cooperative goals. Cooperative leadership must also always invite, and encourage the participation of all management and members of the cooperative and participate in every cooperative activity.

#### **Organizational Culture on Cooperative Performance in South Aceh District (H5)**

Testing the organizational culture's role in cooperative performance in South Aceh District obtained a CR value of 8.686 and a P 0.000 <0.05. This indicates that hypothesis 5 is accepted. This also proves that culture affects the performance of cooperatives in the South Aceh District. The results of this study are in line with the results of research that has been conducted by(Zulkarnen, Purwana, & Saptono, 2020), (Makkasau, Ramly, Hamzah, Arifin, & Prihatin, 2020), (Arianta et al., 2019), (Maisarah, 2018); (Fachreza, Musnadi, & Shabri, 2018)also proves that culture has a significant influence on improving organizational performance.

The magnitude of culture in influencing the performance of cooperatives in South Aceh District is 0.428 or 42.8%, which means that the better the organizational culture is applied, the more cooperative performance will be able to increase by 42.8%. Organizational culture is also an identity or identity of the organization. Good and bad organizational culture applied organization will reflect the image of the organization and this will be able to have a direct impact on the performance of the organization. (Robbins & Judge, 2017)mentions organizational culture as a characteristic of the organization itself which is reflected in the ideals, beliefs, principles, hopes, attitudes, norms, and values that apply in the organization and bind in a community. Culture is the result of interaction and dialogue on various organizational components that are interrelated with one another, which in turn creates shared values between organizational elements.

Culture will be able to influence a person's behavior in organizing, mindset, attitude, and service to consumers, to achieve organizational goals. Organizations that have a positive culture can improve the performance of their members and in the end, this will also have an impact on the performance of the organization. To implement organizational culture, leaders must teach and socialize it to all members of the organization, especially members who have just joined the organization.

From field observation results, to improve the performance of cooperatives through organizational culture is by implementing a culture of free opinion where cooperatives give rights to all management and members of cooperatives to give opinions to assess, evaluate and provide suggestions and input ideas in efforts to improve cooperative performance. The leadership of the cooperative must always provide direction to all management and members of the cooperative to achieve the goals of the cooperative. Every administrator must always try to improve their abilities so that the orders given by the cooperative leadership can be implemented properly by all administrators.

#### **Management Commitment on Cooperative Performance in South Aceh District (H6)**

Testing management commitment role in cooperative performance obtained a CR 2.607> 1.96 and a P 0.009 <0.05. This proves that management commitment affects significantly cooperative performance. This also proves that testing hypothesis 6 is accepted. This is in line with (Muhyi, 2021); (Arianta et al., 2019), (Maisarah, 2018), and(Soetjiptadi et al., 2010)prove that organizational commitment has a major influence in improving organizational performance.

The magnitude of the management commitment in influencing the performance of cooperatives is 0.349 or 34.9%, which means that by increasing the commitment of management, it will be able to increase the performance of cooperatives in the South Aceh district by 34.9. The main objective of forming cooperatives is to become the cornerstone of the people's economy and as a counterweight to the economy in this capitalist economic era. Because achieving the goals of the cooperative, requires a high commitment from its management.

Commitment consists of 3 dimensions, namely affective commitment, normative commitment, and continuance commitment. (Donkor et al., 2021)mentioned many researchers use commitment as a mediator in measuring organizational performance. Commitment is a valuable variable because employees who have a high commitment to the organization will have a high desire to realize the goals of the organization, even efforts to achieve organizational goals will be carried out at the expense of personal interests including the income earned or even sacrifice to be willing to leave the organization.

From the field observation result, it can be seen that to improve the performance of cooperatives through the commitment of the management, the first thing that must be improved is to foster a sense of management loyalty to the cooperative. To foster a sense of loyalty to cooperatives can be done by creating good human resource management in cooperatives. A sense of loyalty of management to cooperatives can also be created by always keeping promises that have been promised to all cooperative management, creating a comfortable working atmosphere, giving work control to cooperative managers according to their fields, providing clear career paths in cooperatives, and giving high appreciation following the achievements produced and also respect the personal life of each cooperative administrator.

The leadership of the cooperative must also be able to create and provide a sense of belonging to the cooperative to all administrators. With this sense of belonging, all administrators will be able to make sacrifices to achieve the goals of the cooperative. Another effort that is very important to do is to create a sustainable commitment from the management to the cooperative. Continuing commitment refers to the desire of the management to remain in the cooperative because of calculations or analysis of gains and losses. The economic value causes the management to stay in the cooperative compared than leave the cooperative. The longer the management stays in the cooperative, the less they will lose what they have invested in the cooperative. Continuance commitment is considered as the perception of the price that must be paid if the board leaves its management, for example, they will lose promises or benefits and even their seniority in the cooperative. This commitment will cause cooperative administrators to survive because they need it.

#### Indirect Effect (Mediation) Test

#### Leadership Style role in Cooperative Performance in South Aceh District through Management Commitment (H7)

Testing the leadership style role in cooperative performance through management commitment as shown below.

Input:	Test statistic:	Std. Error:	p-value:
a 0.927	Sobel test: 3.49781683	0.09249284	0.00046908
b 0.349	Aroian test: 3.49563689	0.09255052	0.00047293
s <sub>a</sub> 0.033	Goodman test: 3.50000084	0.09243512	0.00046526
s <sub>b</sub> 0.099	Reset all	Calculate	

Figure 3.H7 Test

From Figure 4.4 above, the results of hypothesis 7 testing obtain a t statistic value of  $3.497 > 1.96$  and a P  $0.0004 < 0.05$ . This proves that management commitment mediates the leadership style role in the performance of cooperatives in the South Aceh District. This also shows that the testing of Hypothesis 7 is accepted. This is supported by (Muhyi, 2021). Chart H7 is presented in the following figure

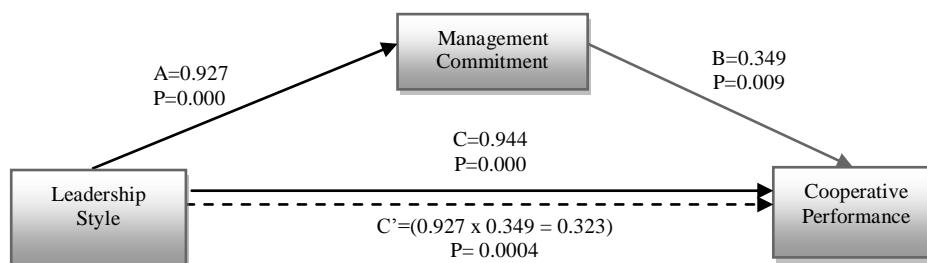


Figure 4. Chart of H7

Figure 4 explains that the leadership style variable on board commitment has a path coefficient value A with a  $\beta = 0.927$  and a P  $0.000 < 0.05$ . The path coefficient B, namely the management's commitment to cooperative performance, obtains a  $\beta 0.349$  and a P  $0.009 < 0.05$ . The path C coefficient or leadership style on cooperative performance has a  $\beta 0.944$  and a P  $0.000 < 0.05$ . The path coefficient C' or the relationship between leadership style and cooperative performance through management commitment has a value of  $\beta = (0.927 \times 0.349 = 0.323)$  with a P  $0.0004 < 0.05$ .

From the test above, it concludes that the management's commitment to mediate partially (partial mediation) the leadership style influence on the performance of cooperatives in South Aceh District. Partial mediation means either directly or through management commitment, leadership style influences the performance of the cooperative. The magnitude of the management commitment in mediating the effect of leadership style on cooperative performance in South Aceh district is 0.323, which means that with the increasing commitment of management, it will be able to increase the leadership style influence on cooperative performance by 32.3%.

### Organizational Culture role in Cooperative Performance in South Aceh District through Management Commitment (H8)

Testing organizational culture role in the performance of cooperatives in South Aceh District through the commitment of the management as presented in Figure 5 below

Input:	Test statistic:	Std. Error:	p-value:
a 0.251	Sobel test: 3.26483184	0.02683109	0.00109529
b 0.349	Aroian test: 3.24630034	0.02698426	0.00116915
s <sub>a</sub> 0.029	Goodman test: 3.28368437	0.02667705	0.0010246
s <sub>b</sub> 0.099	Reset all		Calculate

Figure 5.H8 Test

From Figure 5 above, the results obtained a t statistic value of  $3.264 > 1.96$  and a  $P 0.001 < 0.05$ . This proves that management commitment mediates the organizational culture's role in the performance of cooperatives in the South Aceh District. This also shows that the testing of Hypothesis 8 is accepted. This is in line with (Muhyi, 2021). The H8 chart is presented below.

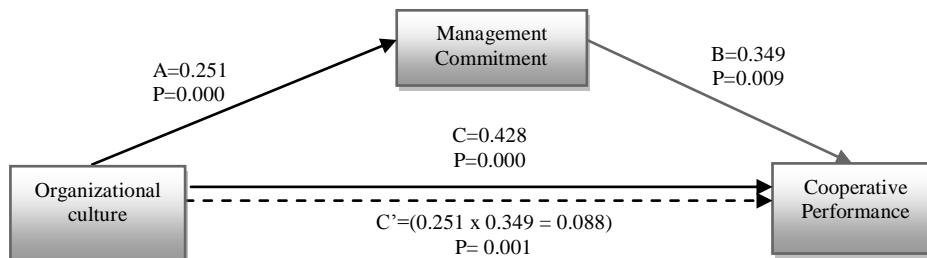


Figure 6 Chart of H8

Figure 6 reveals the culture variable on management commitment has a path coefficient A with a  $\beta 0.251$  and a  $P 0.000 < 0.05$ . The path coefficient B, namely the management's commitment to cooperative performance, obtains a  $\beta 0.349$  and a  $P 0.009 < 0.05$ . The coefficient of path C or culture on cooperative performance has a  $\beta 0.428$  and a  $P 0.000 < 0.05$ . The path coefficient C' or the relationship between organizational culture and cooperative performance through management commitment has a value of  $\beta = (0.251 \times 0.349 = 0.088)$  with a  $P 0.001 < 0.05$ .

From the test results above, it concludes the commitment of the management mediates partially (partial mediation) the organizational culture role in the performance of cooperatives in South Aceh District. Partial mediation means either directly or through management commitment, organizational culture influences cooperative performance. The size of the board's commitment to mediate the organizational culture influence on the performance of cooperatives in South Aceh District is 0.088, which means that by increasing the commitment of the board, it will be able to increase the organizational culture influence on cooperative performance by 8.8%.

### V. Conclusion

The result concludes that the leadership style, organizational culture, management commitment, and cooperative performance in South Aceh District are good, leadership style affects significantly the commitment of cooperative management, organizational culture affects significantly the commitment of cooperative management, leadership style affects significantly the cooperative's performance, organizational culture affects significantly the cooperative's performance, management commitment affects significantly the cooperative's performance, management commitment partially mediates the leadership style role in the cooperative's performance, and management commitment partially mediates the organizational culture role in the cooperative's performance. This explains that the model being tested proves that the cooperative performance improvement model is a function of the suitability of the leadership style and culture, as well as the strengthening of management commitment. These findings explain that academically this model can be proven and can be used as a reference for future researchers in developing their research models.

For practitioners, it is especially useful for the South Aceh district government in restructuring its strategy going forward. Several recommendations also are provided based on the research data. First, to improve the performance of cooperatives, the management of cooperatives in the South Aceh District needs to continue to strive to increase the commitment of the management. Cooperative management is very important to carry out annual member meetings, audits, planning, organizing, and monitoring processes related to business activities carried out by cooperatives.

Leaders must be able to improve the capital structure, increase assets and increase the volume of cooperative business so that cooperatives become even better. The business carried out by the cooperative must be related to the business carried out by the members of the cooperative so that the cooperative can provide comprehensive guidance and counseling related to the business of its members.

Furthermore, to increase the commitment of the management, the leadership of the cooperative must foster a sense of loyalty of the management to the cooperative. Leaders create and provide a sense of belonging to the cooperative to all administrators. Another effort that is very important to do is to create a sustainable commitment from the management to the cooperative. Continuing commitment refers to the desire of the management to remain in the cooperative because of calculations or analysis of gains and losses. The economic value causes the management to stay in the cooperative compared than leave the cooperative. The longer the management stays in the cooperative, the less they will lose what they have invested in the cooperative. Continuance commitment is considered as the perception of the price that must be paid if the board leaves its management, for example, they will lose promises or benefits and even their seniority in the cooperative. This commitment will cause cooperative administrators to survive because they need it.

Besides, to improve their leadership style, every leader must improve their artistic skills in leading and motivating cooperative administrators and members in carrying out their duties. Leaders must also have creative ideas for solving problems and realizing cooperative goals. Cooperative leadership must also always invite, and encourage the participation of all management and members of the cooperative and participate in every cooperative activity.

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