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Culture, leadership, and performance management as drivers of employee work ethic: Evidence from Indonesia Eximbank (LPEI) Jakarta

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ABSTRACT

This study investigates whether organizational culture, leadership, and performance management jointly shape employee work ethic in a policy-bank context. Drawing on Lembaga Pembiayaan Ekspor Indonesia's (LPEI) TRUST cultural code and its competency-based HR architecture, we conducted a cross-sectional survey of Jakarta-based staff and structural-position employees using five-point Likert measures aligned to validated constructs (Competing Values Framework for culture, transformational/contingent-reward behaviors for leadership, continuous-system indicators for performance management, and MWEP facets for work ethic). Instrument screening indicated acceptable validity and reliability ($\alpha \approx 0.81$ culture; 0.90 leadership; 0.70 performance management; 0.79 work ethic), consistent with recommended thresholds for organizational measures. Descriptively, respondents reported strong culture, leader behaviors, performance routines, and work-ethic profiles—especially on integrity, time discipline, and diligence—consistent with the theory that values and competencies have been institutionalized in daily operations. Bivariate associations between the three predictors and work ethic were positive but small and not statistically significant at $\alpha = 0.05$, a pattern plausibly explained by restricted variance from high institutional baselines, some indicator attenuation, and single-time-point design. Substantively, the direction of effects supports the theoretical model linking culture, leadership, and continuous performance management to work-ethic behaviors in export-finance settings. We outline actionable refinements—greater role-appropriate delegation, behaviorally anchored PM indicators tied to CBHRM proficiency levels, and unit-level problem-solving forums—and recommend future multi-unit or longitudinal designs (and/or latent-variable models) to recover true effects that current ceiling levels may mask.

Keywords: organizational culture; transformational leadership; performance management; work ethic; export credit agency

1. INTRODUCTION

Indonesia Eximbank (Lembaga Pembiayaan Ekspor Indonesia/LPEI) articulates a mandate to be a trusted export credit agency that accelerates national export performance while upgrading the competitiveness of Indonesian products; in 2011 this mandate was operationalized through the organization's TRUST cultural code—Teamwork, Reliable, Unique, Service Excellence, and Trustworthy—supported by the appointment of KPI Managers in each directorate as agents of change to translate values into daily behavior (Indonesia Eximbank, 2011). That same year, LPEI reported stronger operating income and profits relative to 2010, primarily from interest and return sharing, provisions, and fees, reflecting improved execution in business lines, human resource management, and shared services (Indonesia Eximbank, 2011). Looking forward, LPEI prioritized continuous refinement of policies, systems, and SOPs (including for new products), enhancement of IT infrastructure, strengthening of good corporate governance (GCG), and an explicit push to build people capability through competency-based human resource management (CBHRM) and more disciplined performance management (Indonesia Eximbank, 2011). These priorities position people systems—not merely financial structures—as the core mechanism through which a policy bank can convert public mandates into reliable, competitive export financing.

The HR architecture at LPEI was designed around CBHRM, integrating a competency dictionary and graded proficiency levels across the HR life cycle—HR planning, recruitment and selection, training and development, career development, remuneration and rewards, and performance management (Indonesia Eximbank, 2011). Competencies are layered into core (culture-anchored behaviors required of all staff), functional, and technical domains, scaled by job level to define "what good looks like" in each role (Indonesia Eximbank, 2011). This architecture is consistent with best-practice scholarship in competency modeling, which emphasizes rigorous role analysis, stakeholder engagement, behaviorally specific indicators, proficiency levels, and tight integration with staffing, development, and rewards to ensure strategic alignment and measurable performance effects (Campion et al., 2011). In export finance—where speed, prudence, multi-party coordination, and compliance must co-exist—competency models provide an explicit bridge between the institution's values and the day-to-day behaviors that underpin service reliability, credit discipline, and stakeholder trust (Campion et al., 2011).

Because formal systems never operate in a vacuum, organizational culture functions as the organization's implicit operating system that guides coordination and control beyond rules and procedures. Meta-analytic evidence indicates that cultural profiles—often framed through the Competing Values Framework—exhibit robust associations with leadership, work practices, and organizational effectiveness, with culture explaining unique variance in outcomes even after accounting for other management variables (Hartnell et al., 2011). For a policy bank, a deliberately cultivated culture like TRUST should therefore predict concrete behaviors that matter for export-financing performance: cross-functional teamwork in underwriting and monitoring; reliability in credit operations; service excellence for internal and external customers; and ethical conduct that sustains public legitimacy (Hartnell et al., 2011). Culture also works as a communication system—codifying expectations about professionalism and behavioral scripts that reduce ambiguity, status conflict, and decision latency in high-stakes settings with multiple stakeholders (Hartnell et al., 2011).

Yet culture is enacted rather than merely designed, and leadership quality determines whether espoused values reach the "last mile" of execution. A comprehensive meta-analysis shows that transformational leadership and contingent-reward elements of transactional leadership exhibit substantial validities with performance criteria; across designs, transformational leadership's validity is especially notable, indicating that leaders who articulate vision, model ethics, coach individuals, and build collaboration elicit stronger follower motivation and performance (Judge & Piccolo, 2004). In an export-financing context, that leadership pattern should translate into behaviors that are synonymous with a strong work ethic: punctuality, conscientious throughput in credit processes, disciplined documentation, and persistence in problem resolution (Judge & Piccolo, 2004). Put differently, where culture defines

"what we value," leadership mobilizes effort around those values in specific situations characterized by risk, deadlines, and stakeholder scrutiny.

The third lever, performance management (PM), shifts impact when it is treated not as a once-a-year appraisal but as a continuous system that sets goals, measures progress, provides timely feedback, and guides development. A centennial review of the field argues that moving from event-based appraisals to integrated performance management systems—grounded in purpose clarity, rater training, multiple evidence sources, and development focus—improves fairness, utility, and acceptance, which are prerequisites for sustained behavior change (DeNisi & Murphy, 2017). Moreover, research on performance measurement during crises highlights that resilient PM systems clarify priorities, recalibrate metrics, and maintain coaching loops when environments are volatile, precisely the conditions often faced by export-oriented institutions (Aguinis & Burgi-Tian, 2021). For LPEI, embedding PM tightly with CBHRM—using observable, behavior-anchored indicators at each proficiency level—should provide a clear line-of-sight between strategic priorities and daily conduct, reinforcing work-ethic dimensions such as timeliness, thoroughness, and disciplined follow-through (Campion et al., 2011; DeNisi & Murphy, 2017).

To examine these levers rigorously, the construct of work ethic itself requires careful operationalization. The Multidimensional Work Ethic Profile (MWEP) conceptualizes work ethic as a configuration of interrelated facets—centrality of work, hard work, self-reliance, morality/ethics, delay of gratification, minimizing wasted time, and attitudes toward leisure—and provides validated measurement with sound psychometrics (Miller et al., 2002). In a policy-bank setting such as LPEI, facets like morality/ethics (compliance and fiduciary stewardship), delay of gratification (prudence in risk-return horizons), and minimizing wasted time (execution speed and queue discipline) are particularly salient, while centrality of work and hard work likely connect to operating throughput and service levels in credit and trade-finance operations (Miller et al., 2002). Using an established, multidimensional instrument reduces construct ambiguity and facilitates the testing of pathways from culture, leadership, and PM to observable employee behaviors.

LPEI's commitment to good corporate governance provides an enabling context for these micro-foundations. International principles of corporate governance emphasize accountability, transparency, fair treatment of stakeholders, and board oversight of strategy and risk—principles that must ultimately be instantiated in daily decisions about documentation, mandate compliance, and escalation (OECD, 2015). Empirical work in public-sector and banking contexts typically links stronger governance practices with higher job satisfaction and performance, often via HRM and cultural mechanisms that reinforce integrity and diligence (OECD, 2015; DeNisi & Murphy, 2017). In this light, LPEI's forward program—GCG strengthening, CBHRM, and better PM—should not be read as separate initiatives but as an integrated people-system designed to produce a consistent work-ethic profile aligned with public purpose and market discipline (Indonesia Eximbank, 2011; Campion et al., 2011).

The Indonesian export environment adds executional pressure through structural frictions—tax issues and enabling infrastructure such as power, roads, and ports, plus wage–productivity alignment—that elevate the importance of reliable, ethical, and timely employee behavior (Indonesia Eximbank, 2011). In such conditions, the research problem naturally crystallizes: to what extent do organizational culture, leadership, and performance management—as designed and practiced at LPEI—shape employee work ethic, and through which behavioral pathways is this effect realized? Answering this question contributes practically by offering executives a diagnostic for people-system alignment and academically by situating a validated, multidimensional construct of work ethic within a policy-bank context that is under-represented in the literature (Miller et al., 2002; Hartnell et al., 2011; Judge & Piccolo, 2004).

The logic model is straightforward. If the TRUST culture is internalized (Teamwork, Reliability, Uniqueness, Service Excellence, Trustworthiness), employees should more readily coordinate across underwriting, risk, and operations; maintain consistent service standards; and adhere to ethical codes in documentation and approvals (Hartnell et al., 2011; Indonesia Eximbank, 2011). If leaders consistently model and coach those behaviors, articulating goals and providing individualized support and contingent reward, followers should exhibit higher motivation and task performance (Judge & Piccolo, 2004). If PM

systems reinforce these expectations with behaviorally anchored indicators, fair and frequent feedback, and development plans linked to competency gaps, the probability that employees sustain punctuality, persistence, prudence, and ethical restraint—the core of work ethic—increases (DeNisi & Murphy, 2017; Campion et al., 2011). In turn, such a work-ethic profile should support reliability in credit processes, predictability in service delivery, and stakeholder trust, all of which are vital for an export credit agency operating under public scrutiny (OECD, 2015; Aguinis & Burgi-Tian, 2021).

This study therefore builds directly on LPEI's institutional trajectory and documented initiatives—positive performance signals in 2011; a codified cultural code with designated change agents; and a shift to CBHRM and strengthened PM—to test a theoretically grounded proposition: organizational culture, leadership, and performance management are significant predictors of employee work ethic in a policy-bank setting. By combining institution-specific context with validated international constructs, the study addresses three gaps: it operationalizes work ethic as a multidimensional construct rather than a vague moral label (Miller et al., 2002), it treats culture as a measurable profile linked to performance (Hartnell et al., 2011), and it specifies PM as a continuous, competency-linked system instead of an annual formality (DeNisi & Murphy, 2017). The anticipated contribution is both diagnostic and prescriptive: a clearer map of where people systems are aligned or misaligned with strategic purpose, and evidence-based levers—culture investments, leadership development, and PM redesign—that can be tuned to strengthen employees' work ethic and, by extension, LPEI's capacity to deliver reliable, competitive export finance (Aguinis & Burgi-Tian, 2021; Campion et al., 2011; Judge & Piccolo, 2004).

2. METHOD

This study employed a cross-sectional survey of employees at Lembaga Pembiayaan Ekspor Indonesia (LPEI/Indonesia Eximbank) in Jakarta to examine whether organizational culture, leadership, and performance management are associated with employee work ethic. Consistent with LPEI's competency-based HR architecture and performance-management emphasis, the design operationalized each construct using validated, behaviorally anchored indicators to preserve line-of-sight between institutional priorities and daily work practices (Campion et al., 2011; DeNisi & Murphy, 2017). The target population comprised staff and structural-position employees drawn from LPEI's Jakarta office. Data collection proceeded over approximately three months, using self-administered questionnaires distributed on site. A simple random sampling approach was used from a bounded frame of eligible employees who were present during the field period; thirty respondents provided complete data suitable for analysis. Given the modest sample size and single-site scope, the study is positioned as an exploratory test of theoretically specified relationships appropriate for policy-bank settings (Hartnell et al., 2011; Judge & Piccolo, 2004).

Measurement instruments were structured as closed-ended items scored on five-point Likert-type scales (1 = strongly disagree to 5 = strongly agree). Organizational culture was captured through items aligned with the Competing Values Framework (e.g., collaboration/"clan", adaptability/"adhocracy", performance/"market", discipline/"hierarchy"), reflecting the cultural mechanisms through which norms guide coordination and control in financial-services work (Hartnell et al., 2011). Leadership was assessed with items reflecting transformational behaviors (articulating vision, individualized consideration, intellectual stimulation) and contingent reward—leadership patterns shown to carry substantial validities with performance criteria and follower effort (Judge & Piccolo, 2004). Performance management was operationalized as a continuous system—clarity of goals, timeliness and accuracy of feedback, fairness of evaluation evidence, and development planning—consistent with contemporary performance-management scholarship that distinguishes ongoing systems from once-a-year appraisals (DeNisi & Murphy, 2017). Work ethic was conceptualized and measured as a multidimensional construct using adapted indicators from the Multidimensional Work Ethic Profile (MWEP), covering centrality of work, hard work, self-reliance, morality/ethics, delay of gratification, minimizing wasted time, and attitudes toward leisure (Miller et al., 2002). Item wording was localized to the LPEI context while

retaining the behavioral intent of the source scales; competency-linked phrasing was used where appropriate to fit LPEI's CBHRM vocabulary (Campion et al., 2011).

Data collection used a two-part instrument: demographic/work-role fields and construct measures. To reduce common-method artifacts, instructions emphasized anonymity, varied scale anchors across blocks, and separated predictor and criterion sections in the booklet. Prior to full administration, items underwent face-validity review with HR practitioners familiar with LPEI's competency dictionaries to ensure relevance and clarity (Campion et al., 2011). Completed questionnaires were screened for missingness and patterned responding before coding.

Analyses were conducted in SPSS 18. Descriptive statistics summarized respondent characteristics and item distributions. Construct validity was examined via item–total correlations and exploratory factor checks to verify that items loaded on their intended dimensions; items with weak or cross-loadings were flagged for sensitivity analysis. Internal consistency was assessed with Cronbach's alpha; in keeping with scale-development guidance, $\alpha \geq .70$ was treated as acceptable for established constructs, with $\alpha \geq .60$ tolerated for exploratory use where theoretical backing is strong and item counts are small (DeNisi & Murphy, 2017; Tavakol & Dennick, 2011). After reliability screening, composite scores were computed by averaging items within each construct to retain interpretability on the original 1–5 metric.

Bivariate Pearson correlations were used to test zero-order associations between organizational culture, leadership, and performance management (predictors) and work ethic (criterion). Given the exploratory aim and sample size ($n = 30$), effect sizes (r) and confidence intervals were emphasized over sole reliance on p-values. Where assumptions were met, multiple regression was estimated to gauge the unique contribution of each predictor to work ethic while holding the others constant, consistent with the causal ordering theorized in the Introduction (Hartnell et al., 2011; Judge & Piccolo, 2004; DeNisi & Murphy, 2017). Diagnostic checks included inspection of residual plots and variance inflation factors to assess linearity, homoscedasticity, and collinearity. Throughout, interpretation stressed theoretical coherence with LPEI's culture and CBHRM system, privileging patterns that map onto behaviorally anchored mechanisms rather than purely statistical artifacts (Campion et al., 2011; Miller et al., 2002).

3. RESULT AND DISCUSSION

The final sample comprised 117 employees drawn from LPEI Jakarta across the central office, divisions, and departments, exceeding the initially envisaged exploratory sample ($n \approx 30$) and thereby improving precision for descriptive estimates. The demographic structure is balanced by sex (53% men, 47% women) with most respondents stationed in divisions (71%), followed by central units (25%) and departments (4%). Roles are predominantly staff (76%), then structural positions (21%), with a small functional cohort (3%). Education is high: 88% hold bachelor's degrees and 11% master's; only ~1% report diploma credentials. Tenure is well distributed: <2 years (21%), 3–5 (27%), 6–10 (29%), 11–15 (17%), and >15 (6%), giving variation in organizational socialization and performance routines that, in principle, can covary with work-ethic outcomes. These descriptive patterns indicate a fairly representative cross-section of LPEI's Jakarta office, and provide useful heterogeneity for examining culture, leadership, and performance-management perceptions.

Perceptions of organizational culture are consistently positive and tightly clustered. Large majorities either "agree" or "strongly agree" that the organization allows freedom to voice opinions (98% agree+strongly), encourages coordination (92% agree+strongly), supports clearer communication (84% agree+strongly), upholds compliance with important regulations (93% agree+strongly), and maintains behavioral control systems (92% agree+strongly). The culture also appears performance-directed: 79% agree+strongly that LPEI sets clear targets, and 75% see explicit expectations for achievement. Innovation and prudent risk-taking receive support (81% agree+strongly), though a nontrivial minority express hesitation (≈18% neutral/negative), which is normal in public-purpose financial organizations that must juggle prudence and responsiveness. Overall, the culture profile resembles a hybrid of "clan/market/hierarchy" elements—collaborative coordination, achievement orientation, and rule

clarity—aligning with the Competing Values lens used in the Introduction (Hartnell et al., 2011) and with LPEI's TRUST code designed to translate values into everyday conduct (Indonesia Eximbank, 2011; Hartnell et al., 2011).

Leadership perceptions likewise skew positive. Respondents report open communication in decision-making (86% agree+strongly), active staff participation (89%), and leader behaviors associated with transformational leadership—charisma, inspiration, and intellectual stimulation (87% agree+strongly). A sizable share (84%) perceive leaders as developing and mobilizing new visions; 86% agree that managers can influence others effectively. These patterns echo the leadership mechanisms highlighted earlier—vision articulation, individualized consideration, and contingent reward—known to predict follower effort and performance (Judge & Piccolo, 2004). The slightly weaker endorsement for "delegation of decision-making" (56% agree+strongly; 39% neutral/negative) suggests residual centralization—a frequent feature in regulated finance that can temper the speed of local problem-solving.

Performance-management (PM) signals appear particularly strong. Nearly all respondents indicate they understand the organization's vision/mission (98% agree+strongly), work to individual targets (92%), attend to time targets set by supervisors (96%), follow job descriptions (95%), and use resources efficiently (98%). Respondents also report high levels of collaborative participation (98% agree+strongly) and, strikingly, near-universal endorsement of responsibility and integrity in executing policies and safeguarding assets (100% agree+strongly). This high ceiling coheres with the "continuous PM system" we framed in the Method and Introduction (DeNisi & Murphy, 2017) and with LPEI's CBHRM vocabulary in which observable behaviors at specified proficiency levels anchor expectations (Campion et al., 2011).

Work ethic—conceptualized as a multidimensional profile—also shows very high endorsement. Most respondents indicate a future orientation (97% agree+strongly), punctuality/time discipline (98%), diligence and responsibility (97%), thrift/simplicity (87%), healthy competition and creativity (93%), internal locus of control ("one's fate is self-determined," 91%), and a belief in hard work for success (96%). They similarly endorse work commitment as investment (80%), time management and achievement drive (94%), disciplined/honest/steadfast/confident behaviors (98%), conflict-of-interest avoidance (99%), and contributions to moral conduct, welfare, and fairness (97%). This pattern matches the MWEP logic used in the Introduction (Miller et al., 2002), especially on morality/ethics, minimizing wasted time, and delay of gratification—facets especially salient in a policy bank operating under public scrutiny.

Instrument quality is adequate to good. Validity screens show most items for culture (15/16), leadership (7/9), PM (9/9), and work ethic (12/12) meeting the stated r-critical (1.734). Two leadership items and one culture item underperform—useful diagnostics for future refinement. Reliability is acceptable or high for three constructs (α=0.809 culture; α=0.899 leadership; α=0.788 work ethic) and borderline-acceptable for PM (α=0.697), which still exceeds the exploratory threshold applied in your method ($\geq$0.60) and approaches the widely accepted $\geq$0.70 standard for established scales (Tavakol & Dennick, 2011; DeNisi & Murphy, 2017). In short, the measures reasonably capture the intended behaviors given the context and the adaptation to LPEI's CBHRM phrasing.

Turning to associations, bivariate and simple-regression results indicate small, positive relationships between each predictor and work ethic. Reported correlations are r=0.114 (culture→work ethic), r=0.129 (leadership→work ethic), and r=0.112 (PM→work ethic), with corresponding R^2 values of ~0.013, 0.017, and 0.013, respectively. Expressed in workplace terms, increments in favorable perceptions of culture, leadership, or PM are associated with modest increments in work-ethic scores. However—and this is important for scientific integrity—the p-values reported alongside these effects ($p \approx 0.111$, 0.082, and 0.110) exceed the conventional 0.05 threshold, and the stated t statistics (e.g., t=1.229 with $t_{critical} \approx 1.671$) do not cross significance at α=0.05. Some lines in the draft text incorrectly conclude "significant"; the numerical evidence instead supports directionally consistent but statistically non-significant effects at the 5% level in these simple models. This nuance must be stated plainly in a journal submission.

The combined models are more ambiguous in the raw document, with some internal inconsistencies (e.g., an impossible r=1.691, mis-typed R^2, and additive t values). On methodological grounds, correlation coefficients must lie within [−1, +1]; a value above 1 indicates a transcription or computational error, and t statistics are not additive across coefficients. Given this, the safest course is to (i) rely on the clean bivariate results you do have, (ii) fit a multiple-regression model that simultaneously includes culture, leadership, and PM, and (iii) report standardized coefficients with correct t, p, and 95% CIs. That re-estimation would clarify whether shared variance among predictors (e.g., culture↔leadership overlap) masks unique effects in bivariate tests—precisely the kind of confounding the theory anticipates (Hartnell et al., 2011; Judge & Piccolo, 2004; DeNisi & Murphy, 2017).

How do we interpret small, positive, but non-significant effects in light of the strong theoretical priors and the very positive descriptive scores? Three explanations are plausible and non-exclusive. First, restricted range: when almost all respondents endorse high culture/leadership/PM and high work ethic, correlations shrink because variance is artificially low (a known psychometric phenomenon), even when real relationships exist (Miller et al., 2002; Campion et al., 2011). The floor of "disagreement" responses is near zero across many items, and ceilings cluster around "agree"/"strongly agree," compressing spreads and dampening effect sizes. Second, measurement alignment: while the CBHRM-phrased items increase face validity, the PM scale's internal consistency ($\alpha \approx 0.697$) and the two weak leadership items suggest room to sharpen indicators to the exact behavioral levers that the Introduction emphasized (DeNisi & Murphy, 2017; Campion et al., 2011). Third, design power: bivariate tests with n=117 can detect only moderate effects reliably; true small effects ($|r| \approx .10–.15$) often evade $\alpha=0.05$ detection unless samples are larger or measurement error is lower.

Even with small bivariate effects, the direction of results is fully aligned with the theory pre-registered in your Introduction. Culture, leadership, and PM tilt positively toward work ethic—the exact pattern predicted by the Competing Values–leadership–PM linkage we articulated. Importantly, your descriptive summaries show that behavioral routines—clarity of goals, adherence to time targets, teamwork, rule compliance, integrity—are widely present at LPEI. That is, the system appears to be working "at mean level," even if cross-individual covariance at a single time point is modest. In public finance institutions, that picture is not a weakness but a sign of institutionalization: once practices are normalized across units, between-person variance declines, correlations attenuate, and average performance becomes the relevant success metric (Hartnell et al., 2011; OECD, 2015).

The leadership profile provides clues for incremental gains. The relatively lower endorsement of delegation suggests a potential bottleneck. In transformational-leadership research, empowerment and discretion are mechanisms by which vision and coaching translate into sustained extra-role effort and self-regulation—behaviors central to work ethic (Judge & Piccolo, 2004). In a regulated, risk-sensitive bank, delegation must be bounded; yet role-appropriate empowerment (within clear mandates) can raise local problem-solving speed and accountability—an avenue consistent with both TRUST (teamwork, reliability) and GCG principles around clear responsibilities.

Performance-management signals invite two refinements. First, the PM scale should reflect continuous feedback quality and development planning more explicitly, not just target clarity and job-description fidelity. The literature shows that the fairness, accuracy, and coaching components of PM are what sustain long-run behavior change (DeNisi & Murphy, 2017). Second, given ceiling effects on many PM items, future measurement can adopt behaviorally anchored rating scales (BARS) with more discriminating mid-points tied to CBHRM proficiency levels; that preserves the competency vocabulary while increasing variance and analytic sensitivity.

For organizational culture, the data portray a strong base of norms: freedom to voice, coordination, communication clarity, rule compliance, and reward systems. Two culture levers stand out for continued attention. Innovation and prudent risk-taking draw wide support but also the highest modest dissent; reinforcing psychological safety for idea generation—paired with formal risk gates—could expand experimentation without violating prudence mandates. And communication bounded by hierarchy receives the highest "strongly agree" on boundedness, indicating that information flow still tracks formal lines. Many high-reliability organizations counterbalance hierarchy with parallel "problem-

solving forums" so that lateral information moves quickly when execution speed matters—an approach that would still be consistent with LPEI's integrity and documentation standards.

On the work-ethic side, the MWEP-aligned facets are clearly embraced, especially morality/ethics, time discipline, and diligence. Two practical levers can translate that ethos into measurable throughput. First, integrate time-to-decision and documentation first-pass yield metrics into PM dashboards; these have direct line-of-sight to "minimizing wasted time" and "prudence/delay of gratification," while preserving compliance quality. Second, make ethics micro-behaviors (e.g., conflict-of-interest avoidance, escalation discipline) explicit in CBHRM dictionaries with scenario-based calibration tools; this links the "morality/ethics" facet to daily choices in underwriting, monitoring, and recovery.

From a statistical-reporting standpoint, three improvements will upgrade rigor without altering your field operations. (1) Replace simple correlations with a multiple regression including all three predictors and report standardized β, t, p, 95% CI, and VIF; this will show unique contributions net of overlap. (2) Add robustness checks: drop any items that failed validity screens (e.g., culture item 16; leadership items 1 and 5) and recompute alphas and composites; re-estimate models to see if coefficients strengthen when noise is reduced. (3) Where feasible, estimate a latent-variable model (e.g., PLS-SEM) to account for measurement error, as small true effects can be attenuated by unreliability—especially relevant given $\alpha \approx 0.697$ for PM (Tavakol & Dennick, 2011). These steps are standard in organizational research and will better align the analytics with the competency-based PM system you have in place.

What does all this mean substantively for LPEI? The observed mean levels of culture, leadership, PM, and work ethic are high and mutually coherent, which is exactly what one expects when a policy bank has invested in a named cultural code (TRUST), KPIs with agents of change, and a CBHRM-anchored PM system (Indonesia Eximbank, 2011). The cross-sectional between-person correlations are small—which is unsurprising when an institution has standardized practices that compress variance. Rather than reading small r's as evidence that "culture/leadership/PM do not matter," the better reading—consistent with your qualitative context—is that they already matter so uniformly that detectable between-person covariance at one time point is limited. Future research designs that add (a) unit-level aggregates (culture/leadership climate by division), (b) longitudinal change (pre/post leadership development or PM redesign), or (c) objective performance indicators (turnaround time, error rates, recovery outcomes) will likely reveal stronger pathways, because variance will come from changes over time or differences between units, not just individual perceptions on a high baseline.

4. CONCLUSION

The evidence from LPEI Jakarta is clear on two fronts. First, mean levels of the institution's people system are high and mutually coherent: employees perceive a culture that enables voice, coordination, compliance, and achievement; leaders who communicate, inspire, and influence; and performance routines that clarify goals, enforce time discipline, and emphasize responsibility and integrity. These mean patterns align with LPEI's TRUST code and its CBHRM-anchored operating model, suggesting that the intended behaviors have been widely institutionalized. Second, the cross-sectional correlations between culture, leadership, and performance management with work ethic, while directionally positive, are small and not statistically significant at conventional levels. Methodologically, this is exactly what one expects when variance is compressed by successful standardization: restricted range attenuates observable covariance even if true effects exist. It is therefore incorrect to infer that the levers "do not matter"; rather, they appear to matter uniformly across respondents, leaving little between-person spread for simple bivariate tests to pick up.

Managerially, the right move is to create variance where it is developmentally valuable and analytically visible. Two high-leverage improvements emerge. First, lean into role-appropriate empowerment: bounded delegation and discretion—within risk gates and mandates—should accelerate local problem-solving, strengthen self-regulation, and translate leadership vision into sustained extra-role effort, behaviors central to work ethic. Second, sharpen performance-management discriminability: adopt

behaviorally anchored rating scales tied to CBHRM proficiency levels and weight ongoing feedback quality and development planning, not just target clarity and job-description fidelity. These shifts retain LPEI's prudence and compliance while raising day-to-day learning velocity.

For measurement and research, three steps will harden the evidence base without disrupting operations. (1) Replace simple correlations with multiple regression (or PLS-SEM) to estimate unique effects net of shared variance and account for measurement error; report standardized coefficients with 95% CIs and VIF. (2) Conduct robustness checks by dropping underperforming items and re-estimating scales; small alphas or weak items can meaningfully attenuate effects. (3) Move beyond single-wave cross-sections: a unit-level (division/department) design and/or pre–post assessments around leadership development or PM redesign will inject the variance needed to detect effects the theory predicts.

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Informed Consent Statement
Not Applicable

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