



The Effect of Transformational Leadership and Organizational Culture on Job Commitment, Mediated by Leadership Agility (an Empirical Study: Managers of the Bererod Gratia Credit Union)

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Keywords:	Abstract
transformational leadership, organizational culture, leadership agility and work attachment, microfinance institution Credit Union (CU)	Microfinance institutions face increasing pressure to adapt to environmental changes while maintaining employee engagement and effective member services. This study examined the effects of transformational leadership and organizational culture on work engagement, with leadership agility as a mediating variable, at Bererod Gratia Credit Union. A quantitative cross-sectional design was employed using online questionnaires and proportional cluster sampling across the head office and nine service offices. Data were analyzed using partial least squares structural equation modeling (PLS-SEM), with bootstrapping used to assess indirect effects. Organizational culture positively influenced work engagement ($\beta = 0.572$), whereas transformational leadership demonstrated a significant negative direct effect ($\beta = -0.300$). Both transformational leadership and organizational culture positively influenced leadership agility, which subsequently enhanced work engagement ($\beta = 0.440$). Leadership agility demonstrated competitive mediation for transformational leadership (indirect $\beta = 0.174$; $p = 0.036$) and complementary partial mediation for organizational culture (indirect $\beta = 0.211$; $p = 0.007$). The model explained 53.7% of the variance in work engagement. These findings suggest that transformational leadership contributes to employee engagement through agile practices, while organizational culture provides reinforcing direct and indirect pathways. Strengthening adaptive cultural values and responsive leadership capabilities represents a practical priority for fostering sustained employee engagement within credit union institutions.

INTRODUCTION

In an era of disruption and high uncertainty, organizations are required to adapt quickly to changes in both internal and external environments. These changes require every organization to respond decisively by implementing appropriate actions and policies determined by organizational leadership. One of the factors driving these changes occurs across various fields influenced by technological advancements, regulatory demands, and socioeconomic dynamics, requiring organizations to have leaders who are adaptive, agile, and responsive in addressing these challenges. In addition, organizational cultural factors determine the extent to which management can move quickly and remain agile with the support of all organizational members (Syamsir et al., 2025).

One of the microfinance service organizations in Indonesia that continues to develop and face increasingly competitive conditions is the financial services sector, including Rural Banks (Bank Perkreditan Rakyat/BPRs), Rural Credit Fund Institutions (Lembaga Dana Kredit Pedesaan/LDKP), cooperatives, Credit Unions (CUs), and nongovernmental organizations (Kusumajati, 2021; Steppani & Wijayanti, 2021). These financial institutions are small-scale

financial service providers categorized as Microfinance Institutions (MFIs) (Mia, 2022; Omondi & Jagongo, 2018; Trombetta et al., 2017; Yahaya, 2020). In this study, the research object is the Credit Union as a microfinance institution. A CU is a microfinance institution that operates within communities, particularly serving lower- and middle-income groups that are not adequately served by large financial institutions, such as commercial banks.

A Credit Union is a microfinance institution engaged in savings and loan services that is owned and managed by members for the welfare of its members. According to Cooperative Law No. 25, a CU is categorized as a primary cooperative in Indonesia. CUs in Indonesia are incorporated into official federations, namely Puskopcuina and Puskopdit, which function as secondary cooperatives. The CU movement began in the 1970s and was introduced through the Catholic Church. Although membership and management are open to anyone regardless of background and beliefs, the parish historically became the fundamental social unit in which CUs operated. The purpose of CUs is aligned with Catholic Social Teaching (Ajaran Sosial Gereja/ASG), which emphasizes that the Church is present to assist individuals and communities without discrimination based on beliefs. Based on this objective, CUs in Indonesia have continued to grow and develop rapidly (Bulan & Tandana, 2024; Sulaeman et al., 2022; Untung et al., 2025; Wulandari, 2022).

Based on a report from the World Council of Credit Unions and Financial Cooperatives in 2024, the CU movement has continued to grow not only in Indonesia but also globally, expanding to 150 countries across various continents. The growth of CUs has accelerated because they are microfinance institutions that serve communities requiring economic assistance that may not be accommodated by large banking institutions. CUs are able to establish closer relationships with communities through local cultural approaches without considering ethnic differences or beliefs among members and managers. In societies that require financial assistance but cannot meet the requirements of large banks, CUs serve as microfinance institutions that provide financial services to various segments of society. Given the important role of microfinance institutions in addressing financial accessibility challenges within communities, further research on microfinance institutions, particularly CUs, is necessary (Bayai, 2017; Egharevba et al., 2016; Hagawe et al., 2023; Ngaiyaye, 2024; Sulaeman et al., 2022).

An empirical phenomenon observed in current organizational contexts is the occurrence of low employee work engagement. Research examining factors influencing work engagement in microfinance institutions in Kenya found that work engagement is affected by several factors, including compensation, leadership, communication, and career development opportunities. When these factors are inadequate, employee work engagement tends to decrease, resulting in dissatisfaction with various organizational aspects. This condition is associated with disengagement and turnover intentions because employees may become less motivated and less emotionally connected to the organization when work rewards and managerial support are not effectively provided by the institution (Aggarwal et al., 2022; Chatiza et al., 2021; Esop & Timms, 2019; Kang & Sung, 2019; Lata et al., 2021).

According to Smith (2017), work engagement is an important factor contributing to the success of Credit Unions in increasing organizational productivity and effectiveness. Through a case study of Credit Unions in Louisiana, the study demonstrated that effective communication, employee training and coaching, as well as rewards and recognition, are the

main strategies used by managers to improve work engagement. Managers with high levels of work engagement tend to demonstrate greater productivity, commitment, and contribution toward achieving organizational goals.

Based on secondary data from an internal survey of members conducted by CUBG and supported by research findings, low work engagement affects the optimization of member services. There is a considerable gap between members' cognitive understanding of training materials and their ability to implement the knowledge into practical actions. Important findings indicate that the levels of material understanding and mindset changes were both above 96%, demonstrating that the delivery of training materials was highly effective in terms of knowledge transfer. However, the implementation stage, such as routine budgeting, decreased to 89.99%, followed by further declines during the stages of starting a business (81.27%) and developing a business (78.54%) (Foster, 2017; van Buggenhout, 2025).

The gap between the stage of understanding the material and the stage of developing business initiatives reached approximately 18 percentage points, indicating that nearly one in five members had not succeeded in converting knowledge into actual business outcomes. Based on the data, 453 members (18.73%) had not succeeded in starting a business, and 519 members (21.46%) experienced no business growth, even though they had participated in training and empowerment programs.

This relationship indicates that the work engagement of CU managers in supporting members, as reflected through indicators of work morale, dedication, cognitive involvement, and effort, has not been optimal, particularly during the post-training stage. The training program has successfully improved awareness and knowledge; however, it has not been followed by sufficient mentoring, monitoring, or empowerment support to ensure that members can effectively apply the training outcomes in their economic activities. Therefore, based on the survey report, work engagement needs to be strengthened.

The uniqueness of CUBG's operations compared with other CUs lies in its focus on empowering microfinance institutions, originating from the Indonesian Bishops' Conference (Konferensi Waligereja Indonesia/KWI) community but now becoming open and inclusive to members from diverse ethnicities, cultures, and religions. The philosophy behind its name, "Bererod," which means "to walk hand in hand" in the Betawi language, and "Gratia," which means "grace" in Latin, reflects the principles of mutual cooperation and solidarity among members. Operationally, CUBG implements a loan scheme directly linked to specific deposit products, such as Gratia Productive Deposits, Gratia Household Deposits, Gratia Housing Deposits, and Gratia Vehicle Deposits, with different interest rates between deposits and loan products. This approach encourages a saving-before-borrowing culture and is strengthened through direct business assistance in which CUBG staff visit and monitor members' business development periodically. In addition, CUBG applies a strict membership discipline mechanism for new members who experience loan arrears for three consecutive months. This combination of social-communal values and financial discipline has supported the rapid growth of CUBG since its establishment, and it has expanded to 10 service locations across Jakarta, Bekasi, and Tangerang.

The phenomenon of declining work engagement in CUs also occurs in Indonesia. The study concluded that employee work engagement remains suboptimal and is strongly influenced by prevailing organizational cultural conditions. The study found that work engagement is

associated with employees' perceptions of organizational culture values, norms, and practices within CUs. This indicates that when organizational culture is perceived as insufficiently strong, consistent, or supportive of employees' psychological needs, work engagement may decline. From a phenomenological perspective, the dynamics of organizational culture within the Credit Union environment represent a crucial factor that may contribute to decreased employee engagement when not managed effectively (Jelinić, n.d.)

Leaders with adaptive abilities demonstrate a high level of agility in responding to rapid environmental changes. This capability can be realized when leaders possess strong adaptability in dealing with changes within the organizational environment. To ensure effective organizational performance, leadership style must be supported by high employee performance. Employee performance and work engagement will improve when leadership practices align with organizational conditions and culture, enabling employees to work effectively and develop themselves optimally. Employee performance is highly dependent on the leadership style applied by organizational leaders, particularly when leaders provide opportunities for employees to contribute and develop themselves optimally.

Previous research on leadership styles indicates that effective and appropriate leadership can increase overall employee work engagement and maintain the performance of high-performing and talented employees within organizations. This occurs because employees with high work engagement represent valuable resources that can be developed to support organizational advancement, particularly when supported by management policies that encourage employee growth and development (Albrecht et al., 2015; Jelinić, n.d.; van Buggenhout, 2025).

Organizations need to enhance their knowledge and awareness of environmental changes and implement broader organizational transformations to ensure survival and sustainable development. Leaders play an important role in directing organizations toward future goals, recognizing the need for autonomy, and facilitating appropriate change. Leaders who perform these functions are referred to as transformational leaders. Transformational leadership can strengthen employees' understanding of organizational goals, promote fairness, and improve the overall quality of organizational life.

Transformational leadership was initially introduced by Downton (1973) and later developed by Bass (1985). Transformational leadership represents a significant evolution in leadership theory that emphasizes vision, motivation, and the personal development of followers. Unlike the transactional leadership model, which emphasizes rewards as drivers of performance, transformational leadership seeks to inspire followers to move beyond personal interests and pursue collective goals that contribute to organizational success.

This transformational leadership approach is suitable for modern organizational environments characterized by rapid change and complexity, where traditional leadership approaches often fail to meet the demands for innovation and adaptability. CU represents a modern organization demonstrated through various innovations, including digital innovation through mobile-based CU applications that improve organizational performance. Several studies have shown that modern organizational characteristics that enhance performance through digital innovation contribute positively to organizational outcomes. Improved innovation network structures have a significant positive effect on innovation performance.

Transformational leadership is defined as a consistent pattern of behavior used by leaders

to influence subordinates. This leadership style consists of four interrelated components. The first component is idealized influence, which positions leaders as role models whose values, behaviors, and decisions inspire trust, respect, and admiration among followers. Leaders demonstrate ethical behavior, take responsible risks, uphold moral principles, build credibility, and instill confidence within their teams. These characteristics are evident in CU operational practices, which emphasize honesty, moral values, and ethical behavior in financial services. The second component is inspirational motivation, which reflects the ability of leaders to communicate an inspiring vision and unite members toward shared goals. The third component is intellectual stimulation, which highlights the role of leaders in encouraging innovation and creativity within teams. Transformational approaches not only stimulate individual cognitive development but also contribute to organizational learning and long-term adaptability. The final component is individualized consideration, which emphasizes leaders' commitment to addressing each member's unique needs, aspirations, and potential through personalized guidance, coaching, and support. This creates an environment in which employees feel valued and empowered to achieve their full potential.

Fiedler's Contingency Theory (1967) serves as the main theory or grand theory in this study. Transformational leadership can be more effective when implemented through a contingency theory approach. Contingency theory is a leadership approach proposed by Fiedler, which emphasizes that leadership effectiveness depends on adapting leadership practices to the specific situations in which organizational goals are pursued.

Contingency theory is a leadership approach proposed by Fiedler that emphasizes adjusting leadership practices according to situational conditions to achieve organizational goals. This theory states that leader effectiveness depends on three variables: (1) the leader's need structure, (2) the leader's control over the situation, and (3) the interaction between the leader's need structure and situational control. In addition, contingency theory suggests that leader behavior can improve organizational performance by increasing effort and teamwork. A key component of leadership effectiveness is the ability to make decisions that significantly determine the achievement of organizational goals (Daft, 2016). Transformational leadership is expected to be more effective within CUs because the leadership structure, situational control, and interaction between leadership characteristics and organizational conditions are clearly reflected in CU service operations.

Another factor influencing work engagement, in addition to leadership, is organizational culture. Research on CU Abadi Ajibata concluded that stronger organizational culture leads to higher work engagement and vice versa. However, these findings differ from the results of Selviyanti et al. (2023), who conducted a systematic literature review of studies published between 2020 and 2023 and found that organizational culture in Indonesia remains relatively low in terms of quality, quantity, and competence. From both theoretical and practical perspectives, organizational culture has not fully adapted to organizational development. The ineffectiveness of organizational culture and competence contributes to weak employee engagement in several Indonesian companies.

Hofstede's theory of organizational culture serves as the grand theory of organizational culture in this study because Hofstede's framework is based on the principle that culture originates from individuals who share common values and concepts in establishing organizational goals. Hofstede's organizational culture theory is adopted because it aligns with

the research context, where CU organizations are established and developed based on trust among members to work collectively in addressing financial challenges.

The first research gap identified in this study is the empirical gap. An empirical gap refers to the absence of sufficient direct empirical research examining a particular research topic or phenomenon. This empirical knowledge gap encourages the present study to provide answers regarding CU employee work engagement and strategies for improving it. Research related to CUs remains limited, particularly studies examining the relationship between leadership and employee work engagement. Based on a literature search using the Open Knowledge Maps application, research using the keywords “leadership” and “work engagement” remains limited, particularly studies incorporating leadership agility as a mediating variable. Therefore, the role of leadership agility represents an important element of novelty in this study.

The second research gap is the knowledge gap. A knowledge gap refers to the discrepancy between existing theoretical understanding and its implementation in practical contexts. In the context of leadership, this gap occurs when leadership theories are not fully translated into managerial practices among CU leaders to improve employee work engagement. This research is based on the premise that leaders with strong capabilities are essential for improving organizational efficiency, innovation, employee engagement, and team effectiveness. Although research examining the influence of leadership agility on organizational outcomes remains limited, CU leaders require agility capabilities to strengthen employee work engagement, which ultimately contributes to improved organizational performance. Therefore, this study provides theoretical and practical contributions regarding the role of leadership agility in enhancing work engagement and achieving organizational goals.

Based on these research gaps, this study introduces leadership agility as a mediating variable to address existing limitations and contribute novelty to the research model. Leadership agility represents a leader’s ability to adapt to organizational changes and provide added value within highly complex business environments. To develop organizational agility that corresponds with volatile environmental conditions, management needs to emphasize three key areas of agility: strategic agility, operational agility, and agile leadership capabilities in responding to environmental changes.

According to Wardani et al. (2023), agile leadership is not merely interpreted as a leadership style but also refers to various concepts depending on the organizational context. These concepts include agile leadership, leadership agility, organizational agility, and leadership versatility. Wardani explained that scholars use different terms to describe agile leadership capabilities, such as leadership agility, leadership versatility, and agile leadership; however, these concepts fundamentally refer to leaders’ abilities to respond effectively to dynamic, complex, and rapidly changing organizational conditions. The term leadership agility is considered more appropriate for describing leaders’ capacities to navigate uncertainty because it emphasizes the ability to adapt, think flexibly, and respond effectively to changing situations.

Based on Joiner’s (2019) findings, leadership agility is not positioned as an independent leadership style parallel to transformational leadership but rather as an adaptive leadership capability that enables leaders to respond effectively to organizational changes, complexity, and uncertainty. Leadership agility is characterized by leaders’ abilities to build collaboration, think creatively, understand stakeholders, and make strategic adjustments quickly and flexibly. In this

context, transformational leadership can be considered a foundation that supports the development of leadership agility because transformational characteristics, including vision, employee empowerment, inspirational motivation, and change orientation, are important prerequisites for developing highly agile leadership capabilities. Therefore, the relationship between transformational leadership and leadership agility remains theoretically relevant because leadership agility represents the development of adaptive leadership capabilities derived from transformational leadership characteristics.

Joiner's perspective is supported by Wardani et al. (2023), who emphasized that leadership agility focuses on leaders' adaptive capabilities, rather than leadership styles defined by behavioral patterns, in responding to changes, complexity, and uncertainty within organizational environments. This concept is explained through several dimensions of leadership development and competencies, including context-setting agility, stakeholder agility, creative agility, and self-agility. Therefore, leadership agility can be defined as an adaptive leadership capability that enables flexible, responsive, and effective actions within dynamic business environments.

According to McKinsey research, executives worldwide have long recognized that agility in volatile environments contributes to faster time-to-market, improved operational efficiency, higher customer and employee satisfaction, and increased revenue. A global survey conducted by The Economist found that 90% of executives believe leaders with agile adaptability are essential for achieving business success (Joiner, 2019).

METHOD

This study adopted a quantitative approach using a structured research design involving data collection, measurement, and data analysis to address the research questions (Bougie & Sekaran, 2020). Hypothesis testing was conducted to examine the relationships between variables, with data collected at a single point in time. Primary data were obtained through an online questionnaire distributed via Google Forms to CU managers as the main respondents, while secondary data were collected through a literature review (Bougie & Sekaran, 2020). The study employed probability sampling using the cluster sampling method because the population was distributed across one head office and nine CUBG service offices. Each office was treated as a cluster representing the research population, and the sample size for each cluster was determined proportionally based on the number of managers in each office to ensure adequate representation of all research locations. The population of this study consisted of CU managers across the head office and service offices who shared relevant characteristics aligned with the research objectives.

RESULTS AND DISCUSSION

Indirect influence test results

The indirect influence test in this study is to use the mediation variable of leadership agility. The mediation effect was tested through *specific indirect effects* as a result of bootstrapping. The significance of mediation is classified using the Hair et.al. 2020 typology that is commonly adopted in PLS-SEM: if the direct effect and indirect effect are both significant and unidirectional, it is classified as *complementary partial mediation*; If the two are significant but in opposite directions, it is classified as *competitive/inconsistent mediation*.

Table 1. Indirect Effects Test Results

Mediation Pathway	Coefficin	T-statistics	P-values
Transformational Leadership → Agility Leadership → Work Attachment	0.174	2.100	0.036
Organizational Culture → , Leadership Agility → , Work Engagement	0.211	2.707	0.007

Source : Data Processing Results (2026)

Based on the results of the *Specific Indirect Effects* test as presented in the table above, it can be explained that the Leadership Agility variable is proven to play a significant role as a mediator variable (intermediate variable) in the two indirect influence pathways tested in this study.

The results of the hypothesis 6 (H6) testing show that Transformational Leadership → Leadership Agility → Work Attachment, showed an indirect effect coefficient value of 0.174 with a T-statistic of 2.100 and a p-value of 0.036 (< 0.05), which was also significantly positive. However, because the direct effect of Transformational Leadership on Work Attachment is significantly negative (coefficient -0.300), the two effects have opposite directions, so the mediation pattern on this path is classified as *competitive/inconsistent mediation*. Substantively, these findings suggest that the positive influence of transformational leadership on employee work attachment is actually channeled entirely through increased leadership agility, while the direct pathways (outside of agility) are negatively associated—as a consequence, the total effect of these two pathways negates each other and becomes insignificant (-0.126; $p = 0.321$).

The results of the hypothesis 7 (H7) testing show that Organizational Culture → Leadership Agility → Work Attachment, showed an indirect effect coefficient value of 0.211 with a statistical T-value of 2.707 and a p-value of 0.007 (< 0.05), which means that this indirect effect is statistically significant. Because the direct effect of Organizational Culture on Work Attachment is also significant positive (coefficient of 0.572), Leadership Agility in this path acts as a partial complementary mediator, i.e. Leadership Agility does not replace the direct influence of Organizational Culture, but rather strengthens influence on Work Attachment. This can be seen from the total effect which increased to 0.783 ($T = 7.677$; $p < 0.001$), greater than the direct effect alone. Substantively, these findings mean that a conducive organizational culture not only has a direct impact on increasing employee work attachment, but also encourages the formation of leadership agility which in turn increases work attachment.

Transformational Leadership has a positive and significant effect on Work Attachment

The results of this study reject hypothesis 1, which states that transformational leadership has a positive and significant effect on work attachment. The test results did show a statistically significant influence (T-statistic 2.356; p-value 0.018), but the direction of the coefficient was negative (-0.300), contrary to the hypothetical direction. These findings at first glance seem to contradict transformational leadership theory, which states that transformational leaders, through the dimensions of ideal influence, inspirational motivation, intellectual stimulation, and individual consideration, should be able to increase subordinate work attachment (Zhu, Avolio, & Walumbwa, 2009). However, this mismatch in the direction of influence does not mean that transformational leadership is irrelevant to work attachment, but

rather indicates that the influence does not work directly, but is channeled through another mechanism, in this case leadership agility. This phenomenon is known in the methodological literature as inconsistent or competitive mediation, where the direct and indirect effects of an independent variable on the dependent variable have opposite directions, so that the substantive meaning of the variable can only be understood in its entirety if the role of the mediator is also considered, not just by looking at the direct path coefficient.

Judging from the characteristics of the respondents, most of the CU managers in this study have worked for more than five years and occupied various operational and structural positions, so it is quite possible that the aspects of transformational leadership that are inspirational and visionary have not been felt to have a direct impact on their daily work attachments, but the benefits are only felt after the leader has translated into real actions that are agile and responsive to the operational needs of the CU. Thus, the result of H1's rejection of this direct path is actually an important entrance to understand the role of leadership agility mediation.

Organizational culture has a positive and significant effect on work attachment.

The results of this study firmly accept hypothesis 2, which states that organizational culture has a positive and significant effect on work attachment, with a path coefficient of 0.572 (T-statistic 5.301; p-value < 0.001) is even the direct path with the greatest influence among all the direct relationships tested in this study. The acceptance of this hypothesis is in line with organizational culture theory which emphasizes that values, norms, and shared beliefs in an organization form a frame of reference for the behavior of its members (Hofstede, 2001); When these values are perceived as positive and consistent, organizational members tend to feel more emotionally and cognitively attached to their work.

This finding is also in line with Kahn's (1990) view of personal engagement, which states that a person's work attachment is greatly influenced by the psychological conditions created by his work environment, including the extent to which the organization provides a sense of psychological security, meaning, and availability of resources for its members. A conducive organizational culture, which is reflected through indicators such as consistency, collectivism, adaptability skills, and the ability to control uncertainty, in turn creates a work climate that supports the growth of employees' dedication, enthusiasm, and cognitive involvement in their work at Credit Unions.

The characteristics of the respondents in this study also reinforce the findings, where the majority of respondents have worked for more than five years at CU, indicating that they have experienced and internalized the culture of the organization in which they work for a considerable period of time. This long work experience allows employees to have a deeper understanding and appreciation of organizational values, so that the influence of organizational culture on their work attachment becomes stronger and more consistent. The convergence between theoretical foundations, empirical evidence, and respondent characteristics provides strong support for the acceptance of hypothesis 2.

Transformational Leadership has a significant positive effect on Leadership Agility.

The results of this study firmly accept hypothesis 3, which states that transformational leadership has a positive and significant effect on leadership agility, with a path coefficient of 0.396 (T-statistic 2.847; p-value 0.004). This acceptance of this hypothesis is in line with Bass & Avolio's (1994) concept of transformational leadership which emphasizes that

transformational leaders actively encourage intellectual stimulation and encourage their subordinates to think creatively and be open to change, a characteristic that is conceptually aligned with dimensions of leadership agility such as creative agility and learning agility (Joiner & Josephs, 2007).

Theoretically, leaders who have a strong vision and idealism, are able to exert an ideal influence, and build engagement and appreciation for their subordinates, will be more adaptable to changes in the organizational environment and better prepared to make quick decisions in uncertain situations — a core characteristic of leadership agility. In other words, transformational leadership can be seen as the foundation of behavior that fosters a leader's agility in responding to organizational dynamics, because inspirational and visionary leaders tend to be more responsive to the need for change than leaders who are purely transactional.

In terms of respondent characteristics, the majority of respondents in this study have a bachelor's/S1 education background (65.0%) and are in the range of productive to mature age, so it is representative enough to objectively assess the extent to which their leaders show transformational behavior and the extent to which these behaviors are reflected in daily leadership agility. The convergence between the foundations of transformational leadership theory and the concept of leadership agility, supported by significant statistical results, provides strong support for the acceptance of hypothesis 3.

Organizational Culture has a positive and significant effect on Leadership Agility.

The results of this study firmly accept hypothesis 4, which states that organizational culture has a positive and significant effect on leadership agility, with a path coefficient of 0.479 (T-statistic 3.768; p-value < 0.001) is the largest direct influence on leadership agility among the two exogenous variables tested. The acceptance of this hypothesis is in line with the view that organizational culture functions as a value framework that shapes and limits the space for leadership behavior in organizations (Hofstede, 2001); A culture that supports flexibility, collectivism, and the ability to conceptually control uncertainty provides a climate conducive to the growth of leadership agility.

More specifically, the dimensions of organizational culture such as adaptability skills and the ability to control uncertainty were proven to be valid as indicators in this study (loading factors of 0.879 and 0.830 respectively) have a close conceptual relationship with the dimensions of learning agility and contextual dexterity in the leadership agility construct (Joiner & Josephs, 2007). This explains why the value of the correlation and the validity of the discrimination between these two constructs is in the borderline zone, as discussed in the previous Fornell-Larcker test section, an adaptive organizational culture is naturally a prerequisite as well as a driver for the birth of agile and responsive leadership.

Judging from the characteristics of the respondents' positions that are quite diverse, ranging from operational staff to managerial ranks (managers, deputies, general managers), these findings show that the perception of the influence of organizational culture towards leadership agility is consistent across various levels of CU management, not only felt by the leadership ranks. The convergence between the theoretical foundation, the results of the indicator validity test, and the diversity of respondents' characteristics provides strong support for the acceptance of hypothesis 4.

Leadership Agility has a positive and significant effect on Work Attachment.

The results of this study firmly accept hypothesis 5, which states that leadership agility has a positive and significant effect on work attachment, with a path coefficient of 0.440 (T-statistic 3.792; p-value < 0.001). The acceptance of this hypothesis strengthens the argument that a leader's agility in dealing with change, making quick decisions, and responding to the needs of stakeholders in an adaptive manner, has a direct impact on the psychological condition of his subordinates, in line with the concept of engagement by Kahn (1990) who emphasizes the importance of psychological security and the availability of leadership resources as an antecedent to work attachment.

From the perspective of social exchange theory (Blau, 1964), the reciprocal relationship between leaders and subordinates also explains this finding: when employees perceive their leaders to be able to act agilely, responsive to context, and open to learning and change, they tend to reciprocate by increasing dedication, enthusiasm, and extra effort in work as reflected in the indicators of work attachment used in this study (work dedication, work ethic, extra effort, and cognitive involvement) all of which had high outer loading (0.762–0.902). In addition, of the five dimensions of leader agility tested, contextual dexterity and creative dexterity showed the highest loading (0.901 and 0.892), indicating that the leader's ability to read situations and think creatively in decision-making was the most prominent aspect of agility and most influenced by employees.

Given that the R-Square value of the Work Attachment construct is in the moderate category (0.537), leadership agility along with organizational culture and transformational leadership simultaneously explains more than half of the variation in work attachment of CU management employees, a fairly substantial proportion considering that work attachment is also influenced by many other individual and situational factors outside of this research model. The convergence between the theoretical foundation, the results of the validity of the indicators, and the magnitude of this determination coefficient provides strong support for the acceptance of hypothesis 5.

Leadership Agility Mediates the Influence of Transformational Leadership on Work Attachment

The results of this study accept hypothesis 6, which states that leadership agility mediates the influence of transformational leadership on work attachment, with an indirect effect coefficient of 0.174 (T-statistic 2.100; p-value 0.036). These findings are key to understanding the seemingly contradictory results in section 4.4.1, where the direct effect of transformational leadership on work attachment is negative (-0.300). Referring to the mediation analysis framework of Zhao, Lynch, and Chen (2010), the pattern in which indirect effects are significant but opposite to the direct effects is classified as competitive or inconsistent mediation, which substantively means that the positive influence of transformational leadership on employee attachment is actually channeled entirely through improving leadership agility, not directly.

Theoretically, these findings make sense because transformational leadership is inherently abstract and long-term oriented (vision, inspiration, ideal influence), so its impact on employees' day-to-day work attachments is more effectively felt when it has been translated by leaders into concrete, agile and contextual actions, such as decision-making speed and responsiveness to stakeholder needs. In other words, leadership agility acts as a connecting

mechanism that transforms transformational leadership values that are conceptual into real behaviors that can be directly felt by employees in daily work interactions.

Because the total effect of transformational leadership on work attachment became insignificant (-0.126 ; $p = 0.321$) after the direct and indirect effects were combined, these findings underscore the importance of not inferring "transformational leadership has no effect on work attachment" indiscriminately, but rather understanding that its effect is entirely mediated by leadership agility. The practical implication is that CU organizations need to ensure that transformational leaders are also equipped and encouraged to develop their leadership agility capacity, because without this agility, the potential benefits of transformational leadership on employee work attachment are at risk of not being realized, and even potentially counterproductive.

Leadership Agility Mediates the Influence of Organizational Culture on Work Attachment

The results of this study accept hypothesis 7, which states that leadership agility mediates the influence of organizational culture on work attachment, with an indirect effect coefficient of 0.211 (T-statistic 2.707 ; p-value 0.007). In contrast to the mediation pattern in hypothesis 6, this pathway shows a pattern of partial complementary mediation (Zhao, Lynch, & Chen, 2010), because both the direct effect of organizational culture on work attachment (0.572) and its indirect effect through leadership agility (0.211) are both significant and positive, resulting in a greater total effect, which is 0.783 (T-statistic 7.677 ; p-value < 0.001). Theoretically, these findings show that organizational culture influences employee work attachment through two paths at once: directly, a conducive organizational culture forms a psychological climate that supports work attachment as described in Kahn's (1990) concept of personal engagement; And indirectly, an adaptive organizational culture also fosters leadership agility, which in turn further strengthens employee work attachment. These two paths complement and strengthen each other, not negate each other as in the transformational leadership path, so that organizational culture can be said to be the most consistent and strongest antecedent to the work attachment of CU management employees in this research model.

Considering that the majority of respondents have worked for more than five years and have deeply internalized the culture of the organization in which they work, it is natural that the influence of organizational culture on work attachment is strong both directly and through strengthening leadership agility. The practical implication is that strengthening an adaptive and collective organizational culture not only has a direct impact on employee work attachment, but also becomes a long-term investment in building agile leadership capacity, so that both benefits can be enjoyed by CU organizations simultaneously.

CONCLUSION

This study concluded that transformational leadership, organizational culture, and leadership agility played distinct yet interconnected roles in shaping employee work engagement at the Bererod Gratia Credit Union. Organizational culture had the strongest positive direct effect on work engagement ($\beta = 0.572$; $p < 0.001$), whereas transformational leadership had a significant negative direct effect ($\beta = -0.300$; $p = 0.018$). Nevertheless, transformational leadership positively influenced leadership agility ($\beta = 0.396$; $p = 0.004$), and organizational culture also positively influenced leadership agility ($\beta = 0.479$; $p < 0.001$). Subsequently, leadership agility enhanced work engagement ($\beta = 0.440$; $p < 0.001$).

Furthermore, leadership agility mediated the relationship between transformational leadership and work engagement through competitive or inconsistent mediation ($\beta = 0.174$; $p = 0.036$), indicating that transformational leadership contributed positively to employee engagement primarily when translated into agile and responsive leadership practices. Leadership agility also partially and complementarily mediated the relationship between organizational culture and work engagement ($\beta = 0.211$; $p = 0.007$). Overall, the model explained 53.7% of the variance in work engagement, highlighting the importance of developing an adaptive organizational culture and translating transformational leadership values into context-sensitive leadership practices.

Future research should examine this model across multiple Credit Unions and other microfinance institutions to improve the generalizability of the findings. Longitudinal or mixed-method approaches are recommended to further clarify the causal relationships among transformational leadership, organizational culture, leadership agility, and work engagement, as well as to explore why transformational leadership produces a negative direct effect when leadership agility is not considered. Future studies may also incorporate employee- and leader-rated assessments to reduce common method bias and include additional variables, such as psychological safety, perceived organizational support, job resources, digital readiness, work motivation, and employee resilience. Comparative studies based on organizational size, geographical location, leadership level, and employee tenure may further identify the conditions under which transformational leadership strengthens or weakens work engagement. Finally, future researchers should investigate specific dimensions of leadership agility, particularly contextual agility and creative agility, to determine which leadership competencies most effectively translate organizational vision and cultural values into sustained employee engagement.

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