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Human Capital Sustainability Mediates Responsible Leadership and Organizational Culture Effects on Sustainable Employee Performance

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ABSTRACT

Objective: This study investigates whether human capital sustainability explains how responsible leadership and organizational culture relate to sustainable employee performance among employees of the Communication Department of Bank Indonesia.

Methodology: A quantitative cross-sectional census of all 89 employees was conducted using a five-point Likert questionnaire. The 28-item reflective model was analyzed with partial least squares structural equation modeling in SmartPLS 4.

Findings: Responsible leadership did not have a significant direct effect on sustainable employee performance (coefficient = 0.072, $p = 0.402$), whereas organizational culture had a positive and significant direct effect (coefficient = 0.323, $p < 0.001$). Responsible leadership (coefficient = 0.397) and organizational culture (coefficient = 0.410) positively predicted human capital sustainability, which positively predicted sustainable employee performance (coefficient = 0.448; all $p < 0.001$). Human capital sustainability fully mediated responsible leadership (indirect coefficient = 0.178, $p = 0.001$; VAF = 71.2%) and provided complementary partial mediation for organizational culture (indirect coefficient = 0.183, $p = 0.002$; VAF = 36.1%).

Conclusion: Responsible leadership supports sustainable performance when translated into durable employee capability, whereas organizational culture operates both directly and through human capital sustainability.

Keywords: Responsible Leadership; Organizational Culture; Human Capital Sustainability; Sustainable Employee Performance; PLS-SEM.

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INTRODUCTION

Digital transformation requires organizations to deliver immediate results while preserving employees' capacity to perform over time. Short-term output can conceal declining energy, uneven capability, or limited adaptability. Sustainable employee performance therefore combines work-goal achievement with consistency, adaptability, health, and continuing contribution. Ji et al. (2021) formalized the construct, while Lu et al. (2023) argued that human resource management should consider performance and employee well-being. This broader view matters when accurate, rapid, and trusted work must be sustained under recurring pressure.

Bank Indonesia's Communication Department translates policy into public information, supports transparency, coordinates communication across functions, and helps sustain stakeholder trust. It operates amid rapidly changing digital channels, fast-moving public opinion, and high expectations for accurate and consistent policy messages. Internal performance information reported in the thesis for 2023-2025 showed an uneven and fluctuating distribution: most employees remained in middle performance categories, fewer reached the highest categories, and improvement was not consistently sustained. The thesis also identified engagement fluctuations, competence gaps, slow career development, limited leadership support for employee development, and a bureaucratic, insufficiently flexible work culture. Together, these conditions make performance sustainability a managerial issue beyond periodic target achievement.

Leadership is one potential source of a sustainable work environment. Responsible leadership emphasizes ethical judgment, stakeholder awareness, dialogue, social responsibility, and attention to employee welfare (Bhatti & Irfan, 2024; Huo et al., 2024; Khanam et al., 2025). More recent evidence connects responsible leadership with knowledge sharing and sustainable development outcomes (Xuecheng et al., 2022) and with employee sustainable performance. Nevertheless, supportive or ethical leadership may not automatically alter daily performance. Its influence may depend on whether leadership practices create concrete opportunities for competence development, knowledge exchange, adaptation, and long-term retention.

Organizational culture provides a second pathway. Shared values, norms, communication patterns, perceptions of fairness, support, and adaptability shape recurring employee behavior (Dudija et al., 2024; Pham et al., 2024). Recent evidence indicates that organizational culture is positively associated with employee performance in sustainability-oriented settings (Dudija et al., 2024; Pham et al., 2024) and with employee performance and engagement (Saimin et al., 2025). Culture may affect performance directly by coordinating behavior and indirectly by establishing an environment in which employees learn and preserve their capabilities.

The connecting mechanism examined in this study is human capital sustainability. Human capital comprises employee knowledge, skills, abilities, experience, and other attributes that provide organizational value (Lu et al., 2023). A sustainability perspective adds continuing development, knowledge management, learning, retention, and adaptability. This approach is consistent with sustainable human resource management, which seeks to preserve rather than exhaust the human resources on which organizational outcomes depend (Lu et al., 2023). It is also consistent with the resource-based view, under which internally developed resources and capabilities can support sustained organizational advantage (Kero & Bogale, 2023).

Although responsible leadership, organizational culture, human capital, and employee performance have each been examined, the thesis identifies limited research that integrates the four constructs in one mediation model, particularly in a central-bank communication function. The gap is not only contextual but also explanatory. A direct association between leadership and performance does not show how ethical and stakeholder-oriented leadership becomes a durable employee capability, while a direct culture-performance association does not distinguish behavioral coordination from capability development. Testing human capital sustainability as a mediator addresses both issues.

Accordingly, this study analyzes the direct effects of responsible leadership and organizational culture on sustainable employee performance; their effects on human capital sustainability; the effect of human capital sustainability on sustainable employee performance;

and the two indirect relationships through human capital sustainability. The study contributes by testing a resource-based explanation in a highly regulated public institution and by distinguishing the full mediating role found for responsible leadership from the complementary partial mediation found for organizational culture. Practically, it identifies where leadership and culture interventions should be converted into measurable employee-development systems.

LITERATURE REVIEW

Resource-Based View and Human Capital Sustainability

The resource-based view explains differences in organizational performance through resources that are valuable, rare, difficult to imitate, and difficult to substitute (Kero & Bogale, 2023). Mailani et al. (2024) similarly emphasized internal resource conditions as foundations of sustained competitive advantage. In this study, responsible leadership is treated as a strategic leadership resource, organizational culture as an intangible organizational resource, and human capital sustainability as an organizational capability. Sustainable employee performance represents an employee-level outcome of how these resources and capabilities are developed and used.

Human capital theory builds on the premise that investment in education, knowledge, and skill enhances productive capacity (Lu et al., 2023). At the organizational level, human capital has a positive association with performance, as shown in recent syntheses of the resource-based literature (Kero & Bogale, 2023). However, possession of knowledge at one point in time is insufficient for work that changes rapidly. Human capital sustainability incorporates the organization's ability to develop and preserve employee competence, manage knowledge, support continuous learning, retain employees, and sustain adaptability and innovation. Lu et al. (2023) positioned human attributes at the center of sustainable human resource management, emphasizing human resource systems oriented toward the common good and long-term sustainability.

The thesis operationalized human capital sustainability through six dimensions: competence development, knowledge and skills, knowledge management, continuous learning, retention, and adaptability and innovation. These dimensions make the construct a plausible mediator. Responsible leadership can shape access to development and empowerment, while organizational culture can normalize learning and knowledge sharing. The resulting capability can then sustain employee output, resilience, and adaptation.

Sustainable Employee Performance

Sustainable employee performance concerns meeting work objectives while preserving the capacity to continue performing. Ji et al. (2021) conceptualized and validated the construct, while sustainable-employability research emphasizes continuing opportunities and capabilities for valuable contribution alongside employee resilience and well-being, and similarly balances organizational demands with preservation of human resources (Lu et al., 2023).

In the thesis, sustainable employee performance was reflected by ten indicators: achievement of work goals, long-term consistency, efficiency, planning and organization, timely task completion, quality, adaptation to change, work-health balance, work endurance, and energy or vitality. This operationalization recognizes that a high output achieved through recurring exhaustion is not sustainable. It also fits the Communication Department, where employees must repeatedly respond to new issues without reducing accuracy or message quality.

Responsible Leadership and Organizational Culture

Responsible leadership is relational and stakeholder-oriented. It asks leaders to consider the people affected by decisions, use dialogue, act ethically, and balance organizational and social responsibilities (Bhatti & Irfan, 2024). Recent instrument development work has refined the measurement of this construct around responsibility-oriented dimensions, including discursive and participative decision processes (Bhatti & Irfan, 2024). The thesis measured the construct through concern for employee welfare, support for work-life balance, ethical decision-making, positive interpersonal relationships, employee support and empowerment, and social-responsibility orientation.

These practices can support sustainable performance in two ways. A direct pathway is possible when fair treatment, support, and clear ethical direction strengthen employee motivation and coordination. An indirect pathway is also possible when leaders turn support into coaching, learning opportunities, empowerment, knowledge exchange, and retention. Xuecheng et al. (2022) found that responsible leadership was related to sustainable development through a social-exchange mechanism and highlighted knowledge sharing. In an Indonesian setting, Gustiah & Nurhayati (2022) also showed that a sustainability-oriented leadership approach could improve green employee performance through work engagement. The thesis therefore proposed both a direct effect and an indirect effect through human capital sustainability.

Organizational culture is the shared pattern of assumptions, values, and practices that guides how members interpret problems and act (Pham et al., 2024). Saimin et al. (2025) connected culture with organizational effectiveness. In the present model, culture covers consistent values and norms, a supportive work environment, communication and openness, organizational support, fairness, and adaptability. These features can directly reduce coordination friction and clarify expected behavior. They can also develop human capital by encouraging knowledge exchange, learning from error, cross-unit collaboration, and adaptation. The recent findings of Pham et al. (2024) and support a positive culture-performance relationship.

Hypothesis Development

Direct Antecedents of Sustainable Employee Performance

Responsible leadership can support sustainable performance by providing ethical direction, employee support, participative decision-making, and attention to stakeholder consequences. These practices may strengthen motivation and the conditions under which employees preserve their contribution over time. Accordingly:

H1: Responsible leadership positively affects sustainable employee performance.

Organizational culture coordinates recurring behavior through shared standards, openness, fairness, support, and adaptability. When these features are embedded in daily work, employees should be better able to maintain quality, timeliness, energy, and responsiveness. Accordingly:

H2: Organizational culture positively affects sustainable employee performance.

Antecedents of Human Capital Sustainability

Responsible leaders influence access to learning, empowerment, developmental feedback, knowledge exchange, employee welfare, and retention. These mechanisms should preserve and renew the knowledge and capabilities required for long-term contribution. Accordingly:

H3: Responsible leadership positively affects human capital sustainability.

Culture determines whether learning, knowledge sharing, and adaptation become recurring collective practices rather than isolated activities. A supportive and open culture should therefore improve the development and preservation of employee capability. Accordingly:

H4: Organizational culture positively affects human capital sustainability.

Human Capital Sustainability and Employee Performance

Employees with stronger knowledge and skills, continuous-learning capacity, retention intentions, and adaptability should be better positioned to sustain work quality and energy while responding to change. Accordingly:

H5: Human capital sustainability positively affects sustainable employee performance.

Mediating Role of Human Capital Sustainability

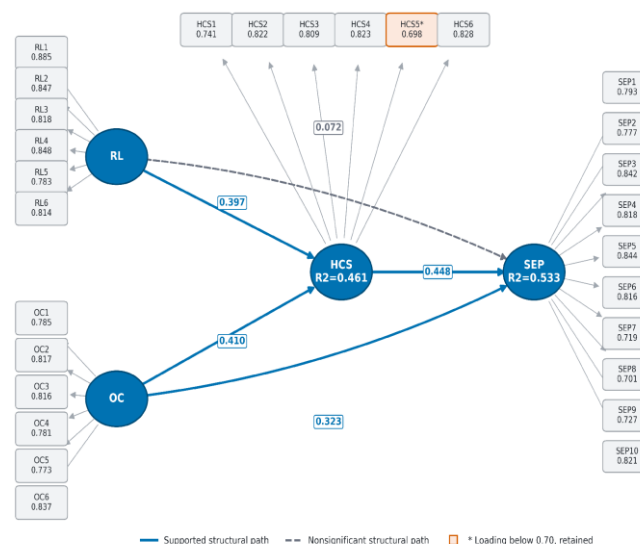
The resource-based logic implies that leadership and culture influence sustainable performance partly by building durable employee capability. Responsible leadership should become performance-relevant when support and ethics are converted into development, learning, and retention, whereas organizational culture may operate through the same capability-building route in addition to its direct coordination effect. Accordingly:

H6: Human capital sustainability mediates the effect of responsible leadership on sustainable employee performance.

H7: Human capital sustainability mediates the effect of organizational culture on sustainable employee performance.

Together, the seven hypotheses specify responsible leadership and organizational culture as exogenous constructs, human capital sustainability as the mediator, and sustainable employee performance as the final endogenous construct.

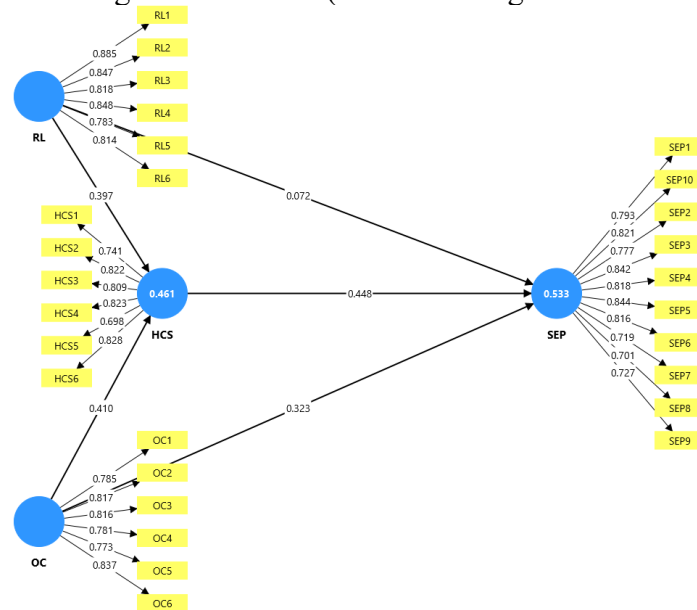
Figure 1. PLS-SEM Measurement and Structural Model



Source: SmartPLS 4 bootstrapping results supplied with the thesis (2026)

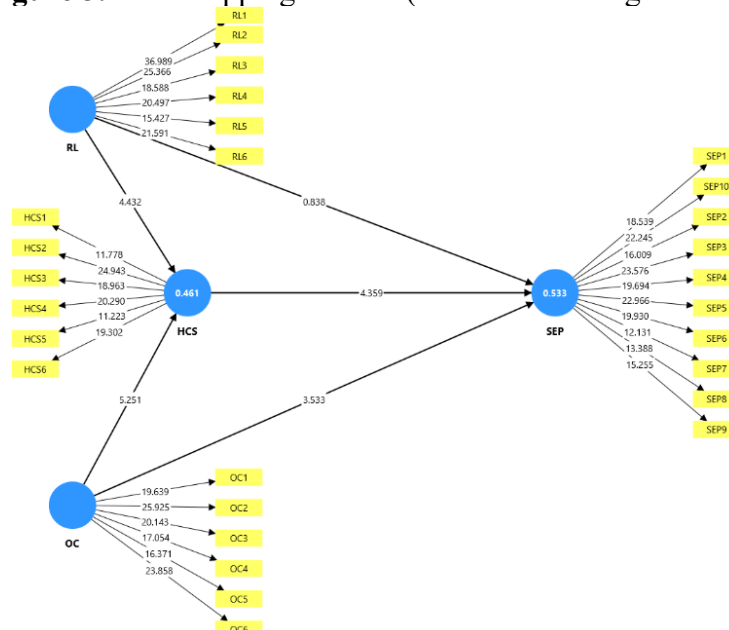
Solid structural paths are significant; the dashed path is nonsignificant. The asterisk identifies HCS5 (0.698), which was retained.

Figure 2. PLS Algorithm Results (Outer Loadings and Path Coefficients)



Source: SmartPLS 4 bootstrapping results supplied with the thesis (2026)

Figure 3. Bootstrapping Results (T-Values and Significance)



Source: SmartPLS 4 bootstrapping results supplied with the thesis (2026)

METHOD

Research design, population, and data collection

The study used a quantitative associative design with a cross-sectional approach. Data were collected at one point in time to examine the relationships among responsible leadership, organizational culture, human capital sustainability, and sustainable employee performance.

The design is appropriate for estimating predictive associations in the proposed model, but it does not establish temporal causality (Hair et al., 2021).

The population consisted of all 89 employees in the Communication Department of Bank Indonesia. Saturated sampling, also described in the thesis as census or total sampling, included every member of the defined population; therefore, the sample also comprised 89 respondents. Primary data were collected through a questionnaire using a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Initial screening found that all 89 responses were usable, with no missing values, duplicate rows, or indicator values outside the 1-5 scale.

The questionnaire contained 28 reflective items: six for responsible leadership, six for organizational culture, six for human capital sustainability, and ten for sustainable employee performance. The responsible-leadership items were contextualized to reflect the stakeholder and dialogic conceptualization of responsible leadership, consistent with recent instrument development for this construct (Bhatti & Irfan, 2024). Organizational culture was grounded in shared assumptions and practices (Pham et al., 2024). Human capital sustainability drew on strategic human capital and sustainable human resource management (Lu et al., 2023). Sustainable employee performance followed the concept developed by Ji et al. (2021). The questionnaire and all item wording were those reported in the thesis.

Data analysis

Descriptive analysis summarized respondent characteristics and indicator distributions through frequencies, percentages, means, and standard deviations. Inferential analysis used partial least squares structural equation modeling (PLS-SEM) in SmartPLS 4. PLS-SEM was selected to estimate the simultaneous direct and indirect relationships among latent constructs and was suitable for the model and sample described in the thesis (Hair et al., 2021).

The measurement model was evaluated before the structural model. Indicator loadings of at least 0.70 were used as the general criterion, while indicators close to the threshold could be retained when construct reliability, average variance extracted (AVE), and theoretical coverage remained adequate. Internal consistency was assessed with Cronbach's alpha, rho_A, and composite reliability, using 0.70 as the general lower reference. Convergent validity required AVE of at least 0.50. Discriminant validity was evaluated with the Fornell-Larcker criterion and the heterotrait-monotrait ratio (HTMT), and collinearity was examined using variance inflation factors (VIF) (Hair et al., 2021, 2022).

The structural model was assessed using structural VIF, the coefficient of determination (R-square), effect size (f-square), model fit, path coefficients, and bootstrapped significance. The thesis used $t > 1.96$ and $p < 0.05$ for significance at the 5% level. Mediation was determined from the direct and specific indirect effects. A significant indirect effect with a nonsignificant direct effect was classified as indirect-only or full mediation; significant direct and indirect effects in the same positive direction were classified as complementary partial mediation.

RESULTS AND DISCUSSION

Results

Respondent and construct profiles

Respondents ranged from 24 to 51 years of age, with a mean age of 35.61 years and a median of 35. Most were aged 31-40 years (51.7%). Women represented 53.9% of respondents, and 62.9% held a D4/S1 degree. DKom accounted for 41.6% of respondents, followed by

DPSBI at 36.0% and TRPI at 22.5%. Staff and Pelaksana positions made up most of the population. Table 1 presents the complete profile reported in the thesis.

Table 1. Respondent Profile (N = 89)

Characteristic	Category	n	%
Age	30 years or younger	21	23.6
	31-40 years	46	51.7
	Older than 40 years	22	24.7
Gender	Female	48	53.9
	Male	41	46.1
Education	D4/S1	56	62.9
	S2	33	37.1
Work unit	DKom	37	41.6
	DPSBI	32	36.0
	TRPI	20	22.5
Position	Staff	42	47.2
	Pelaksana	23	25.8
	Manager	14	15.7
	Agendaris	10	11.2

Source: Primary data processed in the thesis (2026)

All four construct means fell in the thesis's high category (3.41-4.20). Sustainable employee performance had the highest mean (3.654, SD = 0.877), followed by human capital sustainability (3.642, SD = 0.867), organizational culture (3.629, SD = 0.891), and responsible leadership (3.618, SD = 0.960). At indicator level, concern for employee welfare (3.742), a supportive environment (3.730), continuous learning (3.809), and efficiency (3.753) were the respective construct highs. Social-responsibility orientation (3.494), communication and openness (3.551), retention (3.506), and ability to achieve work goals (3.528) were the respective lows. Standard deviations near or above one for many items indicate uneven employee experiences despite the generally high means.

Measurement model

The measurement model met the reported reliability and validity criteria. As shown in Table 2, Cronbach's alpha, rho_A, and composite reliability exceeded 0.70 for every construct, while all AVE values exceeded 0.50. Most loadings exceeded 0.70. HCS5, the retention indicator, loaded at 0.698, only 0.002 below the general threshold. It was retained because the HCS AVE remained 0.622, composite reliability was 0.908, and retention was substantively important to human capital sustainability.

Table 2. Measurement Model Reliability and Convergent Validity

Construct	Loading Range	Alpha	rho_A	Composite Reliability	AVE
Responsible leadership	0.783-0.885	0.912	0.915	0.931	0.694
Organizational culture	0.773-0.837	0.890	0.896	0.915	0.643
Human capital sustainability	0.698-0.828	0.877	0.881	0.908	0.622
Sustainable employee performance	0.701-0.844	0.931	0.934	0.942	0.620

Source: SmartPLS 4 results reported in the thesis (2026)

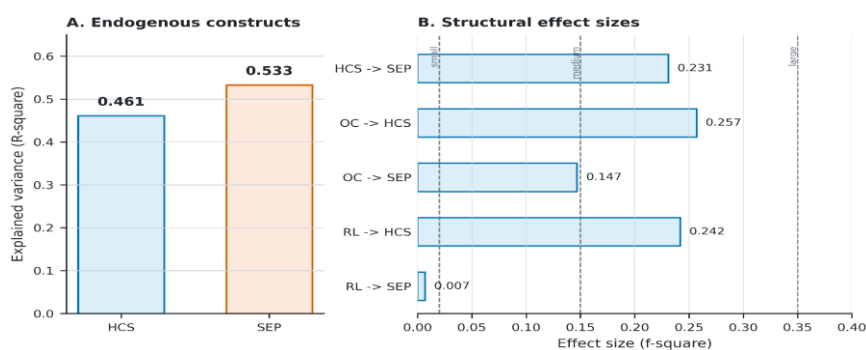
Discriminant validity was also adequate. Each square root of AVE in the Fornell-Larcker matrix was greater than the corresponding interconstruct correlations. HTMT values ranged from 0.467 to 0.742, all below 0.85. Indicator VIF values ranged from 1.642 to 3.368 and structural VIF values from 1.210 to 1.856, indicating no critical collinearity under the thresholds used in the thesis.

Structural Model and Hypothesis Tests

Responsible leadership and organizational culture explained 46.1% of human capital sustainability (adjusted R-square = 0.449), while the three predictors explained 53.3% of sustainable employee performance (adjusted R-square = 0.516). Both values were moderate. SRMR was 0.066, whereas NFI was 0.749; following the thesis, interpretation therefore prioritizes measurement quality, explanatory power, effect sizes, and structural-path significance.

Effect sizes clarify the pattern. Human capital sustainability had a medium effect on sustainable employee performance (f-square = 0.231). Organizational culture and responsible leadership each had medium effects on human capital sustainability (f-square = 0.257 and 0.242). The direct organizational-culture effect on sustainable employee performance was small and close to medium (f-square = 0.147), while the direct responsible-leadership effect was negligible (f-square = 0.007).

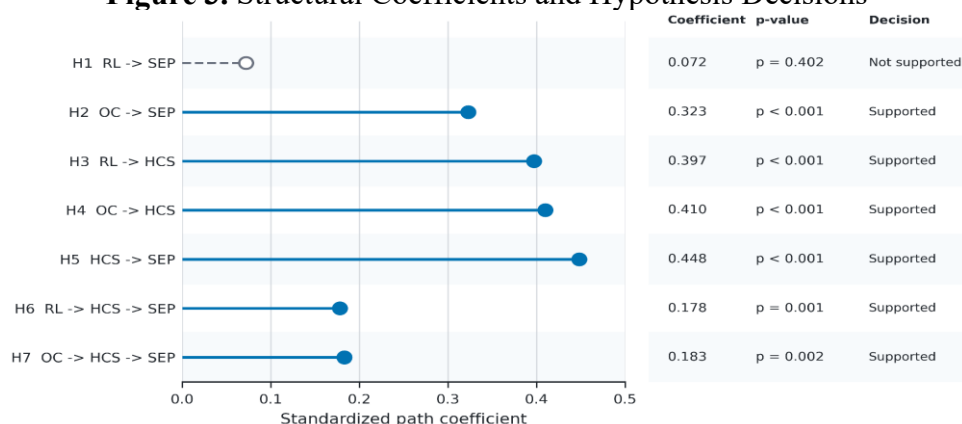
Figure 2. Explained Variance and Structural Effect Sizes



Source: SmartPLS 4 quality-criteria results supplied with the thesis (2026)

H1 was not supported: responsible leadership had a positive but nonsignificant direct relationship with sustainable employee performance (coefficient = 0.072, $t = 0.838$, $p = 0.402$). H2-H5 were supported, as were H6 and H7 because both specific indirect effects were positive and significant. Figure 3 and Table 3 report the complete tests.

Figure 3. Structural Coefficients and Hypothesis Decisions



Source: SmartPLS 4 bootstrapping results reported in the thesis (2026)

Table 3. Direct and Indirect Hypothesis Tests

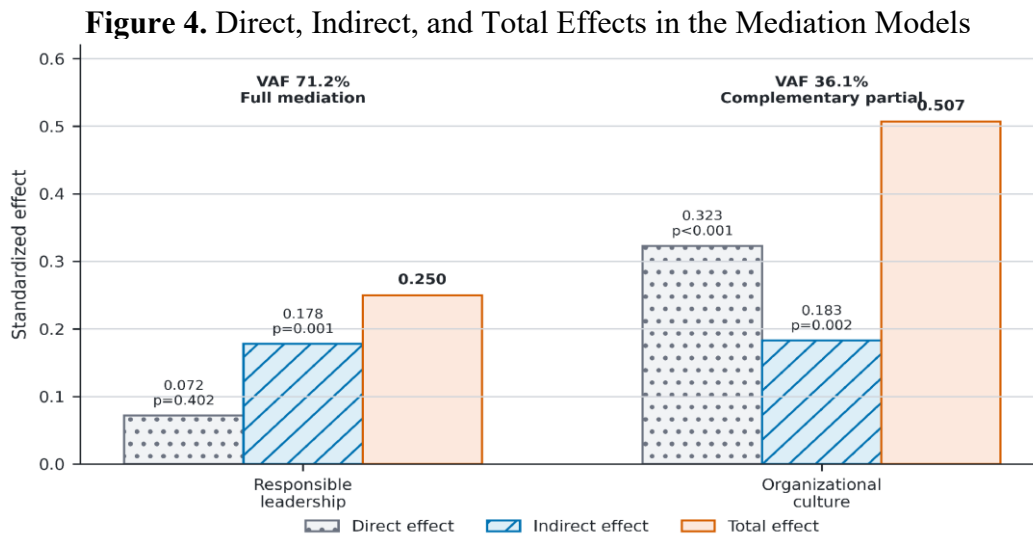
Hyp.	Structural Relationship	Coefficient	t	p	Decision
H1	Responsible leadership -> sustainable employee performance	0.072	0.838	0.402	Not supported
H2	Organizational culture -> sustainable employee performance	0.323	3.533	< 0.001	Supported
H3	Responsible leadership -> human capital sustainability	0.397	4.432	< 0.001	Supported
H4	Organizational culture -> human capital sustainability	0.410	5.251	< 0.001	Supported
H5	Human capital sustainability -> sustainable employee performance	0.448	4.359	< 0.001	Supported
H6	Responsible leadership -> human capital sustainability -> sustainable employee performance	0.178	3.185	0.001	Supported
H7	Organizational culture -> human capital sustainability -> sustainable employee performance	0.183	3.122	0.002	Supported

Source: SmartPLS 4 bootstrapping results reported in the thesis (2026)

Table 4. Mediation Decomposition and Interpretation

Predictor	Direct Effect	Indirect Effect	Total Effect	VAF	Interpretation
Responsible leadership	0.072 (p = 0.402)	0.178 (p = 0.001)	0.250	71.2%	Full (indirect-only) mediation
Organizational culture	0.323 (p < 0.001)	0.183 (p = 0.002)	0.507	36.1%	Complementary partial mediation

Source: Direct, indirect, total-effect, and VAF results reported in the thesis (2026)



Source: Direct, indirect, total-effect, and VAF results reported in the thesis (2026)

Discussion

Responsible Leadership Requires a Human-Capital Pathway

The nonsignificant direct effect of responsible leadership is an important finding and must not be interpreted as proof that leadership has no value. Instead, it indicates that within this population the measured qualities of concern, ethics, empowerment, stakeholder orientation, and social responsibility did not by themselves predict the consistency, adaptability, endurance, and vitality included in sustainable employee performance. Communication work at a central bank depends on concrete knowledge, coordinated processes, technical and policy competence, and the ability to respond to changing issues. Positive leader-employee relationships may therefore remain too distant from daily performance unless they are converted into those capabilities.

The significant responsible leadership → human capital sustainability path and the significant indirect effect explain the mechanism. Leaders strengthen sustainable performance when concern and ethics become access to development, coaching, knowledge sharing, work-life support, empowerment, and retention. This result is compatible with the knowledge-sharing mechanism discussed by Xuecheng et al. (2022), but it adds an important qualification: the direct path was not supported in this Bank Indonesia setting. The full mediation result places employee development at the center of responsible leadership. The findings suggest evaluating leadership programs not only through value statements or relationship ratings but also through competence progress, learning plans, knowledge-transfer quality, workload sustainability, and succession readiness.

Organizational Culture Operates Directly and Indirectly

Organizational culture had a positive direct effect on sustainable employee performance. Shared norms, supportive working conditions, openness, fairness, and adaptability influence routine coordination and behavior. In a communication function, transparent information flow can reduce delays and inconsistencies, while shared standards can protect message quality. Fair treatment and organizational support can also create the security needed to contribute during periods of high public attention. The result is consistent with the

culture-performance findings of Pham et al. (2024) and Saimin et al. (2025), and with the view of culture as a recurring guide to interpretation and action (Pham et al., 2024).

Culture also positively affected human capital sustainability, producing complementary partial mediation. This means culture has two mutually reinforcing routes. It directly structures how work is performed and indirectly builds the capabilities that make high-quality work repeatable. A learning-oriented culture encourages employees to exchange experience, document knowledge, learn from mistakes, and adjust to new channels or policy issues. Accordingly, the findings suggest that culture change should extend beyond slogans or communication campaigns. Values of openness, support, justice, and adaptability can be embedded in learning systems, career development, knowledge management, and opportunities for innovation.

Human Capital Sustainability Is the Closest Predictor of Performance

Human capital sustainability had the largest direct path coefficient to sustainable employee performance in the model (0.448) and a medium effect size. This supports sustainable human capital perspectives (Lu et al., 2023), the positive human capital-performance relationship reported in recent syntheses, and the resource-based view of internally developed capabilities (Kero & Bogale, 2023). Employees who maintain relevant knowledge and skills, continue learning, exchange knowledge, adapt, and see a reason to remain with the organization are better positioned to deliver accurate and timely work without sacrificing the capacity to perform later.

The descriptive results identify specific priorities. Retention was the lowest-rated human-capital dimension and had the lowest loading, although it was retained for theoretical relevance. Knowledge and skills were also relatively low. These findings support clearer career pathways, transparent internal mobility, job enrichment, recognition of contribution, updated competence development, and systematic knowledge sharing. For sustainable employee performance, ability to achieve work goals had the lowest mean, even though the overall construct was rated high. Performance management should therefore combine target achievement with quality, adaptation, energy, and work-health balance rather than relying solely on periodic output.

Theoretical and Managerial Implications

The results refine the resource-based explanation. Human capital sustainability is not merely another predictor; it is the mechanism that fully carries responsible leadership and partially carries organizational culture into sustainable performance. Responsible leadership functions mainly as an antecedent of capability formation, whereas culture is both an intangible resource that directly coordinates behavior and an environment that develops human capital. The distinction explains why two generally positive organizational conditions can produce different mediation patterns.

For the Communication Department, the results support prioritizing an integrated human capital sustainability roadmap linking competence mapping, individual learning plans, knowledge management, career mobility, retention, and succession. They also support strengthening communication and openness, the lowest-rated cultural indicator, through regular coordination forums, two-way feedback, decision documentation, and safe channels for raising risks or improvement ideas. Responsible leadership can be translated into observable development practices such as periodic coaching, agreed development goals, empowerment in

relevant decisions, support for work-life balance, and review of ethical and stakeholder consequences.

The model explained 53.3% of sustainable employee performance, leaving a substantial proportion outside the model. The thesis identifies work design, workload, technology, employee engagement, rewards, occupational health, and career support as possible additional influences. The results should therefore guide priorities without being treated as the only explanation for employee performance.

CONCLUSION

This study examined how responsible leadership and organizational culture relate to sustainable employee performance through human capital sustainability among all 89 employees in the defined Communication Department population at Bank Indonesia. Responsible leadership did not have a significant direct effect on sustainable employee performance. Organizational culture had a positive and significant direct effect. Both responsible leadership and organizational culture positively and significantly affected human capital sustainability, and human capital sustainability positively and significantly affected sustainable employee performance. The mediator fully carried the responsible-leadership relationship and provided complementary partial mediation for the organizational-culture relationship.

The findings show that responsible leadership produces sustainable performance when ethical concern, support, and empowerment are translated into employee competence, continuous learning, knowledge exchange, adaptability, and retention. Organizational culture is broader: it directly shapes recurring work behavior and also strengthens the same human-capital capability. Management should therefore integrate leadership development, cultural practices, and human capital systems rather than treating them as separate initiatives.

The cross-sectional, self-report design, single population of 89 employees, possible common method bias, and low post hoc power for the negligible responsible-leadership path limit inference. The available SmartPLS export lacked out-of-sample prediction tests. The thesis also noted inconsistency between some sustainable-performance indicator labels and questionnaire wording, although analysis followed the recorded data codes. Therefore, the nonsignificant direct effect indicates insufficient evidence in this sample, not a universally zero effect.

Future research should use longitudinal and multisource designs, include objective performance and health indicators, extend the model to other public-sector settings, and examine engagement, work design, workload, technology support, psychological safety, well-being, and rewards. Larger samples and out-of-sample prediction could strengthen evidence for small effects and model predictiveness. Expert assessment and pilot testing should also review retention and alignment between sustainable-performance indicators and their item wording.

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