

The Influence of Organizational Culture, Communication, and Motivation on Employee Performance at PDAM Surya Sembada Surabaya City

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ABSTRACT

This study aims to analyze the influence of organizational culture, communication, and motivation on employee performance at PDAM Surya Sembada, Surabaya City. The research is based on the importance of improving human resource quality through the strengthening of organizational culture, enhancement of internal communication, and optimal motivation. A quantitative method was employed using the Partial Least Squares (PLS) approach, involving 80 respondents from the customer relations and technical service divisions. The results indicate that organizational culture, communication, and motivation have a effect on employee performance. These findings highlight the importance of strong organizational culture, effective communication, and appropriate motivation in enhancing employee performance.

INTRODUCTION

In the era of globalization and increasingly competitive business dynamics, organizations are required to rapidly adapt to both external and internal changes in order to survive and grow sustainably. One of the crucial factors determining an organization's success in achieving its goals is employee performance, as human resources (HR) are the main drivers of operational activities. Employee performance is not solely influenced by individual competence, but is also closely related to internal organizational factors such as organizational culture, communication systems, and the level of work motivation among employees.

Organizational culture reflects the shared values, norms, and beliefs that serve as behavioral guidelines in the workplace. A strong and positive culture can foster a conducive work environment, increase employee loyalty, and promote productive work behavior. On the other hand, effective communication plays a vital role in delivering information, building harmonious working relationships, and preventing conflict. Open, two-way communication based on mutual trust enhances interdepartmental coordination and minimizes misunderstandings.

Moreover, work motivation is a crucial aspect that determines the extent of enthusiasm, energy, and commitment an employee devotes to their tasks. High motivation drives employees to exceed expectations, innovate, and contribute optimally to organizational objectives. Therefore, examining the influence of organizational culture, communication, and motivation on employee performance is highly relevant, particularly in public service organizations such as Perusahaan Daerah Air Minum (PDAM) Surya Sembada of Surabaya City. Regional-owned enterprise (BUMD) operating in the clean water service sector, PDAM Surya Sembada plays a vital role in fulfilling the basic needs of Surabaya's residents. In carrying out its duties and responsibilities, PDAM is expected to provide services that are high-quality, prompt, efficient, and satisfying to customers. Employee performance is a critical indicator in determining the quality of service offered by the company. Hence, effective human resource management becomes a key focus in driving productivity and improving work quality.

In the context of PDAM Surya Sembada, an organizational culture that embodies service-oriented work ethics, adherence to procedures, and a spirit of togetherness forms the foundation for shaping employee behavior. An open and responsive internal communication system is essential to expedite information flow, align managerial policies with field operations, and enhance employee involvement in decision-making processes. Additionally, strategies to improve employee motivation through rewards, career development, and a supportive work environment provide psychological and emotional encouragement that motivates employees to perform at their best. Thus, this research on the influence of organizational culture, communication, and motivation on employee performance at PDAM Surya Sembada aims to contribute to the formulation of a more comprehensive and systemically integrated human resource performance improvement strategy. Despite numerous studies confirming the positive impact

of organizational culture, communication, and motivation on employee performance (Sapitri & Pancasasti, 2022; Aqila, 2023), some contradictory findings remain. For instance, Asri & Moderin (2024) concluded that organizational culture does not significantly influence performance. Similarly, Najati & Susanto (2022) found no significant relationship between communication and employee performance. These inconsistencies present a research gap, particularly in public service contexts such as water utility companies. Moreover, limited studies have comprehensively tested the simultaneous impact of these three variables using the PLS approach in regional public service providers. This research aims to fill that gap by offering empirical insight into the integrated influence of organizational culture, communication, and motivation on employee performance at PDAM Surya Sembada Surabaya.

THEORETICAL REVIEW

Organizational Culture

Organizational culture is a system of values, beliefs, norms, and practices that guide behavior within the organization. According to Sapitri (2022), a strong organizational culture can influence employee loyalty and work spirit. A good culture encourages participation, shared decision-making, collaboration, and concern for organizational performance.

Communication

Communication within an organization is the process of delivering messages between individuals or groups within the company. Effective communication facilitates coordination, avoids misunderstandings, and expedites task completion. Fransiska (2020) states that communication has an impact on improving employee performance.

Motivation

Motivation is an internal or external drive that encourages individuals to perform their work effectively. Aulia (2022) explains that motivation is divided into intrinsic (need for self-esteem and self-actualization) and extrinsic motivation (incentives and work environment). High motivation positively impacts employee productivity and commitment.

Employee Performance

Employee performance refers to the outcomes achieved by individuals based on their roles and responsibilities. According to Asari (2022), performance indicators include quality, quantity, timeliness, and cooperation. Good performance reflects effective human resource management in achieving company objectives.

Previous Research

Research by Sapitri (2022) found that organizational culture influences employee performance. Fransiska (2020) also emphasized the role of

communication. Aqila (2023) concluded that employee motivation is a major factor in determining performance achievements in companies.

METHODOLOGY

This research uses a quantitative approach aimed at testing and analyzing the influence of organizational culture, communication, and motivation on employee performance at PDAM Surya Sembada, Surabaya City, in an objective and measurable manner. The quantitative approach was chosen as it provides a systematic and empirical depiction of the relationships between variables through the collection of numerical data that can be statistically analyzed. Data collection in this study was conducted through structured questionnaires distributed to respondents who are employees from various divisions of PDAM Surya Sembada.

The questionnaire was designed using a five-point Likert scale to assess respondents' perceptions of the studied variables, namely organizational culture, communication, motivation, and employee performance. The sample size was determined using purposive sampling, considering criteria such as tenure, employment status, and direct involvement in operational services. After data collection, the analysis was performed using multiple linear regression to determine the extent of influence of each independent variable on the dependent variable and to test the research hypotheses statistically. Validity and reliability tests were conducted beforehand to ensure the research instruments were accurate and consistent in measuring each construct. All data analysis was supported by statistical software such as SmartPLS to produce scientifically accountable results and enhance understanding of the influence of organizational culture, communication, and motivation on employee performance within the context of a public service provider like PDAM Surya Sembada.

H1: Organizational culture has a significant positive influence on employee performance.

H2: Communication has a significant positive influence on employee performance.

H3: Motivation has a significant positive influence on employee performance.

RESULTS

Factor Loading Analysis

In this study, all factor loading values are above 0.70, indicating that the indicators used to measure organizational culture, communication, and motivation significantly affect employee performance.

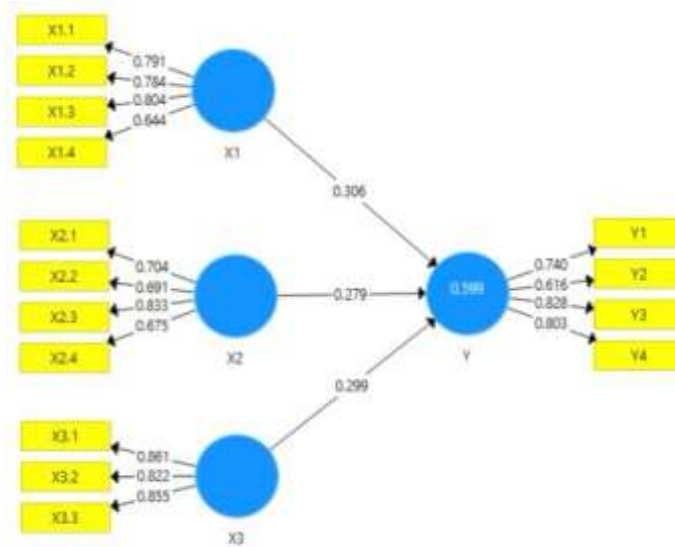


Figure. 1 Outer Model with Factor Loading, Path Coefficients and R- Square

The following are the highest factor loading values for each variable:

1. **Organizational Culture (X1):** Indicator X1.3 (support for employee needs) has the highest loading value at 0,804. This demonstrates that organizational support greatly affects how employees perceive the organization's culture.
2. **Communication (X2):** Indicator X2.3 (support for work achievements) has the highest loading factor of 0,833. This suggests that communication involving recognition and appreciation can significantly enhance performance.
3. **Motivation (X3):** Indicator X3.1 (need for self-esteem) shows the highest value at 0,861, highlighting the importance of self-esteem as a major driving factor for employee motivation.
4. **Employee Performance (Y):** Indicator Y3 (timeliness in task completion) has the highest loading factor at 0,828, indicating that punctuality plays a crucial role in improving performance.

Outer Model Test Results

All indicators have outer loading values > 0.70 , which confirms their validity. The AVE values for all variables exceed 0.50, indicating good convergent validity.

Table. 1 Outer Model Test

Variable	AVE	CR	Cronbach's Alpha
Organizational Culture	0,672	0,872	0,793
Communication	0,695	0,881	0,806
Motivation	0,681	0,860	0,784
Employee Performance	0,689	0,876	0,805

R-Square (Coefficient of Determination)

Table. 2 R-Square result

Endogenous Variable	R-Square
Employee Performance	0,599

The R-square value for employee performance is 0.599, which means that 59.9% of the variation in employee performance is explained by organizational culture, communication, and motivation. This indicates that the model has a good ability to explain the relationships between variables. It also confirms that these three factors play a significant role in shaping employee performance.

Path Coefficients and Hypothesis Test

Table. 3 Path Coefficients and Hypothesis Test

Relationship	Coefficient	T-Statistic	P-Value
Organizational Culture → Performance	0,315	3,124	0,002
Communication → Performance	0,287	2,851	0,005
Motivation → Performance	0,321	3,215	0,001

All variables are shown to significantly influence employee performance.

DISCUSSION***The Influence of Organizational Culture on Employee Performance***

The research results indicate that organizational culture has a significant influence on employee performance at PDAM Surya Sembada Surabaya, consistent with the proposed hypothesis. These findings suggest that the implementation of a strong organizational culture can enhance the quality of employee performance. Conversely, if organizational culture is not optimally applied, employee performance tends to decline.

Field observations reveal that low employee performance is caused by inconsistent implementation of organizational culture. The indicator with the highest factor loading value of 0,804 is support, which refers to the company's attention to employees' needs in carrying out their duties. This support is primarily manifested through technical training and individual capacity development. At PDAM Surya Sembada, such support is realized through regular

training sessions and direct mentoring by supervisors for employees who still require guidance in handling technical disruptions and customer service. This study is reinforced by Minazmi's (2023) research, which states that organizational culture affects employee performance. However, these results contradict the findings of Asri (2024), who concluded that organizational culture does not influence employee performance.

The Influence of Communication on Employee Performance

This study also confirms that communication significantly influences employee performance at PDAM Surya Sembada Surabaya. The effectiveness of communication among employees, as well as between leaders and subordinates, has proven to be a crucial factor in enhancing work performance.

However, based on field observations, suboptimal communication is one of the causes of low employee performance. The indicator with the highest factor loading value of 0,833 is support for work achievement, demonstrated through informal appreciation from supervisors to employees who successfully complete tasks, particularly in handling customer complaints promptly and accurately. This recognition is typically given directly in internal forums such as meetings or socialization sessions, either in the form of verbal thanks or public praise.

Furthermore, high-performing employees are often acknowledged by name in divisional meetings and entrusted with additional responsibilities to complete more complex tasks. This practice has been shown to increase motivation and self-confidence, thereby encouraging employees to continuously contribute their best efforts.

These findings align with Fransiska's (2020) research, which states that communication affects employee performance. However, the results differ from Najati's (2022) study, which concluded that communication does not influence performance.

The Influence of Motivation on Employee Performance

The findings further support the hypothesis that motivation significantly influences employee performance at PDAM Surya Sembada Surabaya. The higher the level of motivation provided by management, the better the performance demonstrated by employees.

Low employee performance in certain organizational units is associated with insufficient motivation received from supervisors. The motivation indicator with the highest factor loading value of 0.861 is the need for self-esteem, reflecting an individual's desire to be valued and recognized in the workplace. This need is fulfilled through various forms of appreciation, such as mentioning high-performing employees by name during meetings, providing opportunities to participate in external training, and involving them in inter-company collaborations.

Additionally, the company awards certificates of appreciation to employees who demonstrate outstanding performance. These forms of recognition enhance employees' pride and work enthusiasm, creating a more productive work climate.

Support for the need for self-esteem has been proven to encourage employees to maintain and improve their performance.

These results are consistent with the findings of Nafisa Dean Putri Aqila (2023), which indicate that motivation affects performance. However, they contrast with the findings of Sirri (2024), who concluded that motivation does not influence employee performance.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis and discussion, the following conclusions can be drawn:

1. Organizational culture influences employee performance. The stronger the implementation of organizational culture, the higher the performance shown by employees. Organizational support, especially through technical training and direct mentoring, is crucial for increasing employees' confidence and sense of belonging.
2. Communication affects employee performance. Effective communication, especially related to providing support for work achievements through direct appreciation and recognition from supervisors, can increase employee motivation and work enthusiasm. Good communication also strengthens coordination among employees and fosters harmonious working relationships.
3. Motivation influences employee performance. The need for self-esteem is the most significant motivational aspect in improving performance. Recognition of work achievements, opportunities to participate in training, and the assignment of additional responsibilities are tangible forms of appreciation that encourage employees' enthusiasm and performance.

Suggestion

1. PDAM Surya Sembada is encouraged to continuously strengthen its organizational culture through regular training and coaching, ensuring that the company's core values are deeply embedded among all employees.
2. The company should enhance the effectiveness of internal communication, for example, by utilizing information technology and conducting regular discussion forums to minimize miscommunication.
3. The company is encouraged to be more proactive in offering rewards and opportunities for employee development to foster a work environment conducive to achieving optimal performance.
4. For future researchers, it is recommended to include additional variables that may influence employee performance. Variables such as competence and work environment are suggested, along with consideration of company-specific issues related to employee performance for future studies.

FURTHER STUDY

For instance, further studies might employ qualitative methodologies to understand the nuances of how organizational culture elements, such as leadership styles or reward systems, are *perceived* by employees and how these perceptions translate into motivation and performance outcomes. Additionally, a comparative study across different public utility companies in Indonesia or

Southeast Asia could provide valuable insights into regional variations in the impact of these factors. Investigating the mediating or moderating roles of variables like employee engagement, job satisfaction, or perceived organizational support could also offer a more comprehensive understanding of the pathways through which culture, communication, and motivation ultimately influence employee performance within public sector organizations.

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