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PERFORMANCE IMPROVEMENT MODERATED BY ORGANIZATIONAL CULTURE

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Abstract

This study aims to analyze the influence of organizational culture, communication, and managerial support on employee performance, with communication and organizational culture serving as moderating variables. The research was conducted at the Treasury Division of PLN Head Office, involving a population of 270 employees, all of whom were selected as samples using a census technique. A quantitative approach was employed, and data were analyzed using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) method via SmartPLS software. The results showed that organizational culture, communication, and managerial support have a positive and significant effect on employee performance. However, the moderating effects of communication and organizational culture on the relationship between the independent variables and performance were found to be insignificant. These findings highlight the importance of a strong organizational culture, effective communication, and solid managerial support in improving employee performance, particularly in complex organizational environments such as PLN. This research contributes theoretically to the field of human resource management and provides practical suggestions for organizational management in the electricity sector.

Keywords: ***Organizational Culture, Communication, Managerial Support, Employee Performance, SmartPLS, PLN.***

Background

Employee performance is a crucial factor in achieving organizational goals, including in PT PLN (Persero) PLN Treasury Division Head Office. However, based on preliminary observations, there are indications that employee performance is not yet optimal. This phenomenon can be caused by a variety of factors, such as ineffective communication, inadequate managerial support, and an organizational culture that is not yet supportive. Communication in organizations plays an important role in conveying information, building relationships between individuals, and creating shared understanding. Research by Wahyuni and Utami (2023) shows that organizational communication positively influences employee performance in PTs. PLN (Cat) ULP City . Additionally, managerial support also affects employee performance. Good managerial support can increase motivation and job satisfaction, which in turn impacts improved performance.

A strong, positive organizational culture can create a conducive work environment, increase work motivation, and ultimately improve employee performance. Research by Pudjiati and Khabibah (2021) showed that organizational culture positively influences employee performance in PTs. PLN (Cat) UP3 Reversal. However, there has been no study that specifically examines the influence of communication and managerial support on employee performance with organizational culture as a moderating variable in PT. PLN (Corporation) PLN Treasury Division Head Office. Therefore, this study was importantly conducted to fill the void in the literature and make a contribution in improving employee performance in the company so that Employee performance in utility sectors such as PLN is influenced by internal factors, including communication and managerial support (Robbins & Judge)., 20. Judge. However, organizational culture typical in state-owned enterprises such as PLNs with strong hierarchy and family values may moderate this relationship.

Problem Formulation

1. Is Kcommunication positively and significantly affects employee performance in PT. PLN (Corporation) PLN Treasury Division Head Office.
2. Does managerial support positively and significantly affect employee performance in PT. PLN (Corporation) PLN Treasury Division Head Office.
3. Does Organizational Culture positively and significantly influence employee performance in PT. PLN (Corporation) PLN Treasury Division Head Office.
4. Is Kcommunication positively and significantly affects employee performance moderated Organizational Culture in PT. PLN (Corporation) PLN Treasury Division Head Office.
5. Whether managerial support positively and significantly affects employee performance is moderated by Organizational Culture in PT. PLN (Corporation) PLN Treasury Division Head Office.

Research Objectives

1. To test and analyze the influence of Communication on employee performance in PT. PLN (Corporation) PLN Treasury Division Head Office.
2. To test and analyze the influence of managerial Support on employee performance in PT. PLN (Corporation) PLN Treasury Division Head Office.
3. To test and analyze the influence of organizational Culture on employee performance in PT. PLN (Corporation) PLN Treasury Division Head Office.
4. To test and analyze the influence of Communication on employee performance moderated Organizational Culture in PT. PLN (Corporation) PLN Treasury Division Head Office.
5. To test and analyze the influence of managerial support on employee performance moderated Organizational Culture in PT. PLN (Corporation) PLN Treasury Division Head Office.

Literature Review

Employee Performance

According to Mathis & Jackson (2019) Employee performance is defined as the result of observable and measurable work behaviors, both individually and collectively, that contribute to organizational success.

IndicatorsEmployee Performance

According to Mathis & Jackson (2019) the indicators of employee performance are as follows:

1. Performance (output)
2. Work attitude
3. Discipline and attendance
4. Dexterity and accuracy
5. Team Performance

Factors Affecting Performance

According to Kasmir (2016), as for the factors affecting performance are as follows :

1. Capabilities and expertise
2. Knowledge
3. Working design
4. Personality
5. Work motivation
6. Leadership
7. Leadership style
8. Organizational culture
9. Job satisfaction
10. Work environment
11. Loyalty
12. Commitment
13. Work discipline

Communication

According toRuck & Welch (2022)The process of information exchange between superiors and subordinates or between employees is effective, clear, and two-way.

Communication Indicators

According toRuck & Welch (2022)indicator Communication is as follows:
1. Communication Frequency**,**How often communication occurs (daily, weekly, etc.).
2. Clarity of Information, Message conveyed clearly and unambiguously.
3. Feedback**,**The presence of a response or clarification from the recipient of the information.
4. Media Communication**,** Effectiveness of channels used (email, meetings, chat).

Managerial Support

According toR **Kurtessis et al.**(2021)Forms of support provided by management to employees, including resources, training, and psychological support.

Indicators of Managerial Support

According to Kurtessis et al. (2021) is as follows:
1. Resource Support**,**Availability of tools, budget, or facilities to work with.
2. Training and Development**,**Opportunity to improve competencies.
3. Emotional Support**,**Supervisor's attention to employee welfare.
4. Recognition and Reward**,**Appreciation for employee contributions.

Organizational Culture

According to Robbins & Judge (2017) Organizational culture is a shared meaning system espoused by members of an organization, which distinguishes the organization from others. Culture includes the values, norms, and practices that shape the behavior of individuals in the workplace.

Organizational Culture Indicators

According to Robbins & Judge (2017) is as follows:
1.Innovation and risk taking
2.Attention to detail
3.Outcome orientation
4.People orientation
5.Team orientation
6.Aggressiveness
7.Organizational Stability

Conceptual Framework

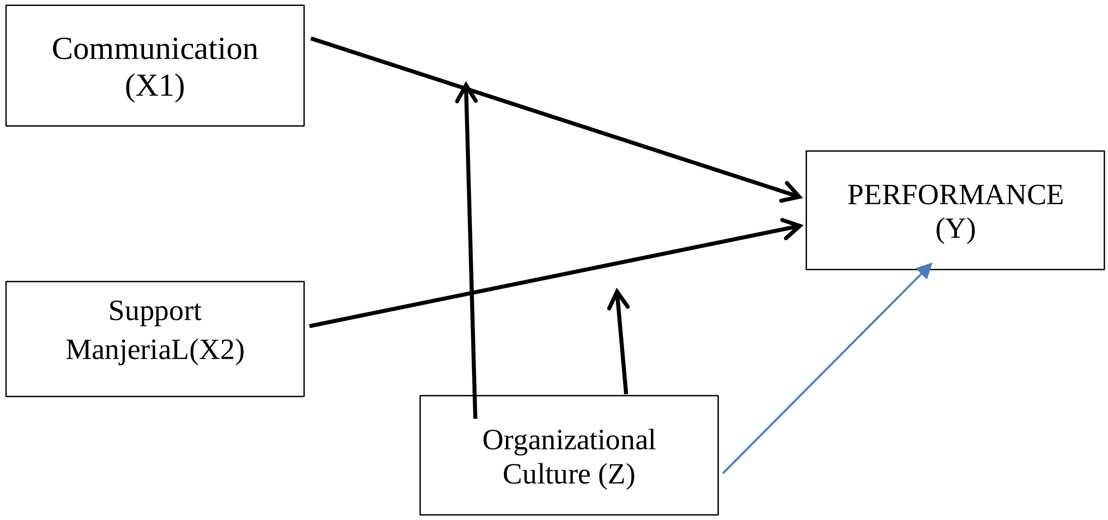

Figure 1: Conceptual Framework

Hypotheses

H_1: Kcommunication positively and significantly affects employee performance in PT. PLN (Corporation) PLN Treasury Division Head Office.

H_2: Managerial support positively and significantly influences employee performance in PT. PLN (Corporation) PLN Treasury Division Head Office.

H_3: Organizational culture positively and significantly influences employee performance in PT. PLN (Corporation) PLN Treasury Division Head Office.

H4Kcommunication positively and significantly affects employee performance moderated Organizational Culture in PT. PLN (Corporation) PLN Treasury Division Head Office.

H5: Managerial support positively and significantly affects employee performance moderated by Organizational Culture in PT. PLN (Corporation) PLN Treasury Division Head Office.

RESEARCH METHODOLOGY

Type of Research

The type of research used is the quantitative type of research.According to Sugiyono (2018) quantitative data is a positivistic based research method (concrete data), research data are numbers to be measured using statistics as a calculation testing tool, pertaining to the researched problem a gathering to generate.

Research Time and Place

The study was conducted in June 2025. The study was conducted on site.PT. PLN (Corporation) PLN Treasury Division Head Office.

Population

The study used the entire research population of 270 permanent employees while honorees were not included in the population. conclusion.

Sample

The sample of this study is the entire population of 270 employees by using saturated sample technique.According to Sugiyono (2018) The sample is the sum of parts of the number and characteristics possessed by the population.

Data Source

The research data source used by the researcher is the primary data source, the primary data source is the researcher gets the data directly.Sugiyono (2018) Primary data source is the data source that directly provides data to the data collector or researcher.

Data Collection Techniques

The data collection technique used is questionnaire, the researcher will distribute the questionnaire to the respondents who are the sample.According to Sugiyono (2018), Questionnaire (questionnaire) is a data collection technique that is conducted by giving a set of questions or written statements to answer to the respondents.

Data Analysis Methods

The model of analysis used in this study is Moderated Regression Analysis (MRA) which is a multiple regression analysis technique used to test whether the relationship between an independent variable (independent variable, X) and a dependent variable (dependent variable, Y) is influenced or dependent on the level of another variable called the moderator (M).

Characteristics of MRA

a. It takes the same form as ordinary linear regression, but adds an interaction variable (X × M).
b. The moderator does not have to be directly related to Y, but the influence of X on Y may change when M changes.
c. Generally, data are centered (reducing mean values) before forming interactions, to avoid multicollinearity.

Results and Discussion

Research Test

This study used Partial Least Square (PLS) analysis based on SmartPLS software because the model contains latent variables, mediation or moderation paths, as well as a relatively small sample size (<200 respondents). The research test consists of two main stages, namely the evaluation of the measurement model (outer model) and the evaluation of the structural model (inner model). From the test results, it is known that there are four variables on the model to be used in the study, as listed below:

Evaluation of the measurement model (outer model)

Convergent Validity

Convergent Validity(convergent validity) is part of the internal validity testing of a measurement model (model measurement), which is used to assess the extent to which the indicators used to measure a construct are indeed highly correlated with each other (or mutually converging). In other words, convergent validity indicates whether an indicator truly represents the construct it wishes to measure.

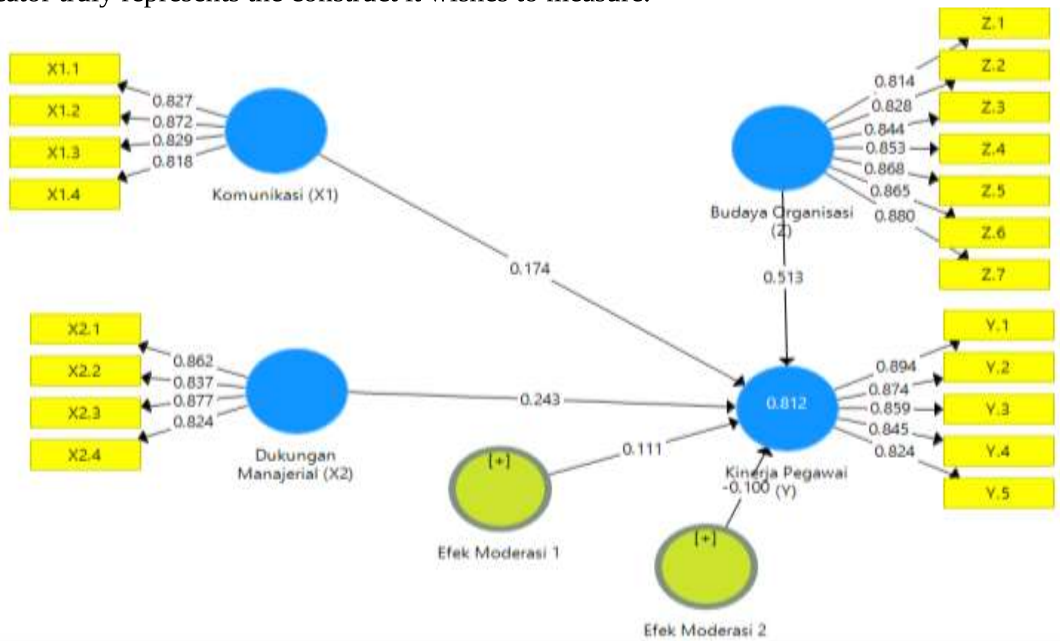

Figure 2. Research Model in SmartPLS

The Smart PLS output for the factor loadings gives the results in the following table: Outer Loadings In this study there is an equation and the equation consists of two equations.

Y = b1X1 + b2Z + b3X1Z e1
Y = 0.174 + 0.513 + 0.111 + e1

Y = b2X2 + b3Z + b4X2Z+ e2
Y = 0.243 + 0.513 – 0.100 + e2

Table 1. Outer Loadings/Cross Loading

	Organizational Culture (Z)	Managerial Support (X2)	Moderation Effect 1	Moderation Effect 2	Employee Performance (Y)	Communication (X1)
Managerial Support (X2) * Organizational Culture (Z)				1,002		
Communication (X1) * Organizational Culture (Z)			0.998			
X1.1						0.827
X1.2						0.872
X1.3						0.829
X1.4						0.818
X2.1		0.862				
X2.2		0.837				
X2.3		0.877				
X2.4		0.824				
Y.1					0.894	
Y.2					0.874	
Y.3					0.859	
Y.4					0.845	
Y.5					0.824	
Z.1	0.814					
Z.2	0.828					
Z.3	0.844					
Z.4	0.853					
Z.5	0.868					
Z.6	0.865					
Z.7	0.880					

Source : Smart PLS 3.3.3

All indicatorsof the constructs of Organizational Culture, Communication, Managerial Support, and Employee Performance had loading values > 0.70, which means meeting the requirements of convergent validity. The loading value on the interaction construct was also very high, naturally occurring because it is a product of the two constructs (moderation results).

Discriminant Validity

Discriminant Validityis part of the testing of the measurement model (model measurement) in SEM-PLS which is used to ensure that each construct in the model is actually distinct (discriminant) from the other constructs. That is, the indicators of one construct do not have high correlations with other constructs.

Table 2. Discriminant Validity

	Organizational Culture (Z)	Managerial Support (X2)	Moderation Effect 1	Moderation Effect 2	Employee Performance (Y)	Communication (X1)
Managerial Support (X2) * Organizational Culture (Z)	0.412	0.510	0.892	1,000	0.431	0.563
Communication (X1) * Organizational Culture (Z)	0.468	0.566	1,000	0.892	0.497	0.569
X1.1	0.662	0.734	0.492	0.503	0.658	0.827
X1.2	0.673	0.691	0.466	0.485	0.691	0.872
X1.3	0.674	0.703	0.477	0.477	0.656	0.829
X1.4	0.718	0.711	0.469	0.421	0.686	0.818
X2.1	0.692	0.862	0.522	0.497	0.714	0.762
X2.2	0.737	0.837	0.551	0.513	0.711	0.759
X2.3	0.814	0.877	0.448	0.381	0.786	0.695
X2.4	0.781	0.824	0.407	0.350	0.704	0.673
Y.1	0.790	0.752	0.418	0.381	0.894	0.713
Y.2	0.776	0.773	0.438	0.416	0.874	0.702
Y.3	0.772	0.739	0.458	0.365	0.859	0.686
Y.4	0.704	0.726	0.427	0.365	0.845	0.680
Y.5	0.744	0.697	0.395	0.324	0.824	0.675
Z.1	0.814	0.754	0.404	0.353	0.695	0.703
Z.2	0.828	0.779	0.411	0.350	0.778	0.718
Z.3	0.844	0.738	0.392	0.325	0.719	0.664
Z.4	0.853	0.756	0.384	0.314	0.731	0.632
Z.5	0.868	0.758	0.410	0.391	0.739	0.721
Z.6	0.865	0.744	0.417	0.377	0.771	0.716
Z.7	0.880	0.771	0.371	0.341	0.804	0.697

Source : Smart PLS 3.3.3

Based on the results of discriminant validity testing through cross loading analysis, it was obtained that each indicator had the highest loading value on the construct in question, and lower against the other constructs. This suggests that each indicator truly measures the intended construct accurately and does not have strong overlap or influence on other different constructs. Additionally, the two interaction or moderation result constructs namely Managerial Support × Organizational Culture and Communication × Organizational Culture, also showed the highest loading values on the respective moderating effect constructs. This high value is reasonable because the interaction construct is the result of multiplication of two already valid constructs, and remains methodologically acceptable in discriminant validity testing. Overall, these results suggest that all constructs in the model have adequate discriminant validity, meaning that the constructs can be empirically distinguished and each of the indicators does measure the appropriate construct. Therefore, the measurement model was declared to be discriminantly valid and feasible for use in testing structural relationships at the next stage of analysis.

Composite reliability

Composite Reliability (CR)is a measure of the internal reliability (internal consistency) of a construct in the measurement model. CR is used to assess the extent to which the indicators that make up a construct consistently measure that construct.

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Organizational Culture (Z)	0.936	0.948	0.723
Managerial Support (X2)	0.872	0.913	0.723
Moderation Effect 1	1,000	1,000	1,000
Moderation Effect 2	1,000	1,000	1,000
Employee Performance (Y)	0.912	0.934	0.739
Communication (X1)	0.857	0.903	0.700

All major constructs (Z, X1, X2, Y)has Cronbach's Alpha and Composite Reliability values above 0.85, which means it is highly reliable and consistent in measuring its respective constructs. The AVE values of all constructs were > 0.70, indicating that more than 70% of the indicator variance was explained by its constructs, meaning that the constructs had excellent convergent validity. The value on Moderation Effects 1 and 2 = 1.000, is an automatic result of the interaction calculation in SmartPLS, and is acceptable because it is not a pure latent construct, but the result of the multiplication of two valid constructs. Thus, the measurement model (outer model) in this study has met the requirements of internal reliability and convergent validity, and is feasible to use for structural model testing (inner model) at the next stage of analysis.

Inner Model

Inner Model Analysis (Structural Model)in SmartPLS aims to evaluate the relationships among latent constructs (variables) once the outer of the model (measurement model) is declared valid and reliable.

Coefficient of Determination (R2)

The following is the interpretation of the Coefficient of Determination (R2) results on the inner analysis of the model using SmartPLS:

Table.4.R Square Results

	R Square	Adjusted R Square
Employee Performance (Y)	0.812	0.807

Source : Smart PLS 3.3.3

The R Square value of 0.812 indicates that 81.2% of the variation in Employee Performance can be explained by the independent variables in the model (such as Communication, Managerial Support, Organizational Culture, as well as the moderating variables). Meanwhile, the Adjusted R Square of 0.807 indicates that after adjusting for the number of predictors in the model, the model still explains 80.7% of the variance of Employee Performance. This signifies the model has a very strong predictive ability and is suitable for use in research.

Hypothesis Testing

In hypothesis testing on SmartPLS, three important values are usually used: Path Coefficient: indicates the direction and strength of the relationship between variables. T-statistic: indicates statistical significance. If the T-statistic > 1.96 then the relationship is significant (at $\alpha = 5\%$). P-Values: probability values. If $P < 0.05$ then the association is significant.

Table 5 .Hypothesis Results

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Organizational Culture (Z) -> Employee Performance (Y)	0.513	6,789	**0.000**	**Receipts**
Managerial Support (X2) -> Employee Performance (Y)	0.243	3.019	**0.001**	**Receipts**
Moderation Effect 1 -> Employee Performance (Y)	0.111	1.622	**0.053**	**Rejected**
Moderation Effect 2 -> Employee Performance (Y)	−0.100	1,458	**0.073**	**Rejected**
Communication (X1) -> Employee Performance (Y)	0.174	2,465	**0.007**	**Receipts**

Source : Smart PLS 3.3.3

On the hypothesis results in table 5 are the final results of the study and will be described as follows:

1. Organizational culture positively and significantly influences employee performancewith a coefficient value of 0.513, a statistical T value of 6.789, and a P value of 0.000. This shows that the better the organizational culture formed in an agency, then the higher the resulting employee performance. This influence was classified as strong and statistically significant as the P value < 0.05.
2. Managerial support also positively and significantly influences employee performance.with a coefficient value of 0.243, a statistical T value of 3.019, and a P value of 0.001. This shows that the greater the support given by the management to the employees, then the employees' performance will improve. This support can take the form of motivation, facilitation, or explicit work directives from superiors.
3. Communication also has a positive and significant influence on employee performance., with a coefficient value of 0.174, a statistical T value of 2.465, and a P value of 0.007. That is, the better the communication process in the organization, both vertical and horizontal, then it will support the improvement of employee performance.
4. Moderation effect 1 was rejected, as the coefficient value was 0.111 with a T statistic of 1.622 and a P value of 0.053. Although the coefficient is positive, a P value greater than 0.05 indicates that the moderating effect is not significant. Thus, the moderating variables in this path do not significantly strengthen the relationship between the independent variables and employee performance.
5. Moderation effect 2 was also rejected., with a coefficient value of −0.100, a T statistic of 1.458, and a P value of 0.073. In addition to being insignificant, the coefficient is also negatively valued, indicating that the existence of the moderating variables precisely tends to weaken the relationship between the variables, although it is statistically insignificant.

Conclusion

1. Results show that organizational culture positively and significantly affects employee performance. This means that the stronger the organizational culture is applied, then the employee performance will improve.
2. Managerial support is shown to have a positive and significant influence on employee performance. That is, a manager's supportive role will help improve employee performance.
3. The first moderation effect showed no significant influence on employee performance. In other words, these moderating variables are unable to strengthen the relationship between the variables in question.
4. The second moderation effect also did not significantly affect employee performance, which means that this variable did not play a role in strengthening the influence of other variables on performance.
5. Communication has a positive and significant influence on employee performance. This shows that good communication in organizations can improve work effectiveness and employee performance results.

Suggestion

1. Strengthening Organizational Culture The management needs to instill the values of a strong and consistent work culture to all employees, such as commitment, professionalism, and integrity, through training and internal activities on an ongoing basis.

2. Increased Managerial Support Managers are expected to be more proactive in accompanying, coaching, and providing feedback to employees. Tangible forms of support can take the form of rewards, involvement in decision-making, as well as attention to employees' individual needs.
3. Communication System Improvement Organizations need to build more effective and transparent communication systems. The use of information technology as well as regular communication forums can be a means of improving coordination and communicating employee aspirations.
4. Evaluation of Moderation Strategies The organization needs to review the role of the intended strategy or program as a moderating variable. If the strategy does not exert significant influence, then improvements need to be made to its design, approach, or implementation to be more precisely targeted.
5. Data-Based Policy Implementation Leadership should start implementing human resource management policies based on research results and data, so that decision-making is more objective and directly impacts on improving overall organizational performance.

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