

THE INFLUENCE OF COMMUNICATIONS ON EMPLOYEE PERFORMANCE AT PERUMDA AIR MINUM TIRTA MANGUTAMA BADUNG REGENCY

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ABSTRACT

Perumda Tirta Mangutama faces various complex challenges, including service disruptions and infrastructure issues. These challenges are reflected in the significant fluctuations in the number of complaints received each year, with work-family conflict being one of the key factors contributing to the decline in employee performance. Therefore, this study aims to examine the impact of communication on employee performance at Perumda Air Minum Tirta Mangutama Badung Regency. The data in this study was analyzed using both descriptive and inferential methods, with a particular focus on Partial Least Squares (PLS). This research can formulate conclusions in the form of a real relationship between communications and employee performance so that it becomes a special attention to improving the quality of the Perumda Air Minum Tirta Mangutama in Badung Regency.

Keywords: *communications, employee performance, perumda*

1. INTRODUCTION

Communication plays an important role in all fields, whether at the individual level or within an organization. Specifically, for government organizations, communication is beneficial for building relationships between various agencies and departments within the organization.

In organizations or companies, communication holds a crucial role, especially in shaping an effective and efficient organization. Communication within an organization should be established through good relationships to ensure a healthy organization and effective interactions between superiors and subordinates, between superiors, between subordinates, and from subordinates to superiors. With good communication, an organization can function smoothly and successfully. Therefore, communication is expected to be effective in accordance with the organization's planned objectives.

Performance is the result of work produced by resources that will influence a company's growth and sustainability. High performance will enable a company to achieve its predetermined goals. Many factors affect employee performance, such as expertise, responsible management, communication, and training.

Perumda Air Minum Tirta Mangutama Badung Regency is a regional company that was previously known as PDAM. It has been in operation since the Dutch colonial era, around 1932, when the drinking water supply system was referred to as the State Drinking Water Company. At that time, raw water was sourced from the Riang Gede spring in Tabanan Regency. After Indonesia gained independence in 1945, the company was restructured and placed under the management of the Department of Public Works and Electricity. In 1975, it was renamed the Level II Badung Drinking Water Company, following the issuance of the Directorate of Sanitary Engineering Decree No. 93/KPTS/1975 on October 21, 1975. The official name later changed to PDAM Badung Regency in 2011 through Regional Regulation No. 9. In 2019, in compliance with Government Regulation No. 54, which mandated the transformation

of PDAMs into Regional Public Companies (Perumda), the company officially became Perumda Air Minum Tirta Mangutama Badung Regency, as stipulated in Regional Regulation No. 7 of 2019. With a vision of "Achieving Excellent Service Towards an International Standard Company," Perumda Air Minum Tirta Mangutama continues to enhance and sustain employee performance to meet its corporate objectives.

Despite its commitment to improvement, Perumda Tirta Mangutama faces several challenges, particularly in service disruptions and infrastructure maintenance. This is evident from the fluctuating number of complaints received annually. In 2021, complaints peaked at 2,900 cases, with 2,896 successfully resolved, while four remained unresolved. Although the number of complaints declined during the 2022-2024 period, some issues persisted.

These challenges indicate that employee performance in service delivery has yet to reach optimal levels. The inability to address all complaints efficiently suggests that multiple factors may be impacting the company's effectiveness in handling customer concerns. Surveys and employee interviews highlight key issues such as an imbalanced ratio of customers to employees, leading to uneven workload distribution, ineffective communication between divisions, and inadequate oversight by the technical department in managing operational problems. Consequently, employee performance in these critical areas remains suboptimal. A decline in performance can be influenced by various factors, one of which is high work demands combined with low motivation. An imbalance between work commitments and personal life can create difficulties in maintaining both professional productivity and personal well-being (Asfahyadin et al., 2017).

Taking this phenomenon into account, along with the existing research gap regarding the impact of communication on employee performance, the researcher has decided to examine the topic: "The Effect of Communication on Employee Performance at Perumda Air Minum Tirta Mangutama Badung Regency."

2. RESEARCH METODOLOGY

Perumda Tirta Mangutama Badung Regency, located at Jalan Belalu No. 3, Denpasar, was selected as the research site. This study employs a quantitative approach, utilizing both descriptive and inferential data analysis. Quantitative analysis involves numerical representation, which helps explain the relationship between dependent and independent variables in numerical terms (Rahyuda, 2019). The research is specifically designed to evaluate the impact of communication on employee performance.

The collected data is analyzed using descriptive and inferential methods, with a particular focus on Partial Least Squares (PLS). Descriptive analysis aims to explain, compare, and interpret the data in relation to real-world conditions and existing theories (Sugiyono, 2018). PLS was chosen for this study due to its ability to analyze relatively small sample sizes without strict assumptions. This makes it particularly suitable for research conducted in companies with a limited population size.

3. RESULTS AND DISCUSSION

3.1 Outer Model

The assessment of the outer model aims to measure the validity of the data using indicators of convergent validity, discriminant validity and the square root of the average variance extracted (AVE), while reliability is measured through composite reliability.

3.1.1. Convergen Validity

Table 1 illustrates that all indicators that measure performance variables have convergently valid loading values because they have factor loading values of more than 0.50.

Table 1. Convergen Validity

Indicator	Employee performance (Y)	Communications (X)
X1.1		0.876
X1.2		0.852
X2.1		0.893
X2.2		0.852
X3.1		0.845
X3.2		0.871
X4.1		0.854
X4.2		0.765
X5.1		0.878
X5.2		0.777
X6.1		0.876
X6.2		0.951
Y1.1	0.876	
Y1.2	0.872	
Y2.1	0.891	
Y2.2	0.823	
Y3.1	0.923	
Y3.2	0.981	
Y4.1	0.765	
Y4.2	0.821	
Y5.1	0.814	
Y5.2	0.855	

3.1.2. Discriminant Validity

Tabel 2. Fornell-Larcker Criterion Test

Indicator	X	Y
X	0.765	
Y	-0.608	0.826

The Fornell-Larcker Criterion value depicted in table 2 can be seen that the square root of the Average Variance Extracted (AVE) for each construct relationship exceeds 0.70. This value shows that the model chosen in this research has a very good discriminant validity value.

3.1.3. Composite reliability and Cronbach's Alpha

Table 3. Composite reliability and Cronbach's Alpha

Variable	Composite Reliability	Cronbach's Alpha
Communications	0.897	0.800
Employee Performance	0.877	0.827

Whether a model is reliable or not can be seen based on the Cronbach alpha value which has a value above 0.70. In the table above, it can be seen that all variables have reliable values because they fulfill these requirements.

3.2. Inner model

Inner model evaluation is also often referred to as structural measurement, which is a test carried out by looking at the R square value of the relationship between a variable. The criteria for this evaluation are if the r square value is above 0.50 then the simultaneous relationship between the constructs is said to be significant and vice versa.

3.2.1 R-square test

Tabel 4. R-square

	R Square	R Square Adjusted
Employee performance (Y)	0.765	0.766

The r square value shown in table 4 is 0.765 or 76.5%. This value meets the requirements requested based on the inner model test criteria. However, the relationship between the two constructs is not very significant because it shows 23.5% influence outside the model.

3.3. The Influence of Communications on Employee Performance at Perumda Air Minum Tirta Mangutama Badung Regency

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Communications (X) -> Employee performance (Y)	-0,456	-0,400	0,198	5.987	0,000

The depiction shown in table 6 is the significant influence between communications and employee performance. This depiction can be assessed based on the p-value which shows a value of 0.000 or less than 0.05 and a t statistic that is greater than 1.96. Based on these values, Effective communication plays a crucial role in determining employee performance within an organization. Clear and transparent communication helps employees understand their roles, responsibilities, and expectations, which ultimately enhances productivity and efficiency. When employees receive clear instructions, they are less likely to make errors, reducing misunderstandings and workplace conflicts. Effective communication also fosters a positive work environment where employees feel valued and motivated to contribute to organizational success. In contrast, poor communication can lead to confusion, decreased morale, and a lack of trust among employees, ultimately affecting overall performance. Organizations that prioritize open communication create a culture of collaboration, where employees can freely exchange ideas, provide feedback, and address concerns without fear. Furthermore, strong communication ensures that information flows smoothly between different departments, leading to better coordination and teamwork. When employees can communicate effectively with their supervisors and colleagues, they are more likely to engage in problem-solving, innovation, and decision-making processes, all of which contribute to improved performance.

In addition to enhancing teamwork and productivity, communication significantly impacts employee motivation and job satisfaction. Employees who feel heard and understood by their superiors are more likely to remain engaged and committed to their work. Open communication channels also promote transparency, allowing employees to stay informed about company goals, policies, and changes that may affect them. Moreover, regular feedback and recognition through effective communication help employees understand their strengths and areas for improvement, leading to continuous professional growth. A lack of communication, on the other hand, can result in frustration, disengagement, and increased turnover

rates. Additionally, workplace conflicts often arise due to misunderstandings, which could be prevented through clear and proactive communication. Organizations that invest in effective communication strategies, such as training programs, team meetings, and digital communication tools, can foster a more cohesive and high-performing workforce. Ultimately, strong communication within an organization is not only beneficial for individual employee performance but also for the overall success and sustainability of the business.

4. CONCLUSION

This research can formulate conclusions in the form of a real relationship between communications and employee performance so that it becomes a special attention to improving the quality of the Perumda Air Minum Tirta Mangutama in Badung Regency.

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