
Factors Affecting Employee Performance: The Role of Work Discipline, K3, and Organizational Culture at PT. Pusaka Bawean Group, Gresik

Enny Instanti¹, Rio Duana Putra ², Achmad Daengs GS³

¹Faculty of Economics and Business, Bhayangkara University Surabaya, Indonesia

²Faculty of Economics and Business, University of August 17 1945 Surabaya, Indonesia

³Faculty of Economics, University 45 Surabaya, Indonesia

E-mail:ennyinstanti@ubhara.ac.id

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Abstract

The purpose of this study is to examine how organizational culture and work discipline affect employee performance in the construction company PT. Pusaka Bawean Group. In a time of globalization and growing competition, employee performance is crucial to the success of a firm. A quantitative approach with a descriptive and analytical design is the research methodology employed. A questionnaire was sent to 60 of the company's employees in order to gather the data. The association between independent variables (work discipline, occupational safety and health, and organizational culture) and dependent variables (employee performance) was examined using data analysis using Smart PLS. All independent variables had a positive and significant impact on employee performance, according to the results, with occupational safety and health (K3) being the most important one. This study offers PT. Pusaka Bawean Group's management useful suggestions for enhancing organizational culture, work discipline, and K3 implementation in order to sustainably raise employee performance.

Keywords: *Work Discipline, Organizational Culture, Employee Performance, Occupational Safety And Health, PT. The Legacy Of The Bawean Group*

INTRODUCTION

Some people tend to undervalue human resource management. This occurs despite the fact that global competition is greatly influenced by human resources. Indonesia must continue to participate in the global economy given its status as a developing nation.(Achmad Daengs et al., 2020) In an era of increasingly rapid globalization, companies around the world are faced with the challenge of adapting to a complex and dynamic business environment. Rapid technological changes, intense competition, and ever-evolving market demands force companies to improve efficiency and productivity. In this context, employee performance is one of the key factors determining the success of an organization. Good performance not only contributes to achieving company goals but also creates sustainable competitive advantage. Globalization and increasingly fierce competition require organizations to be more effective and efficient in carrying

out their operations, including in implementing environmental sustainability strategies in human resource (HR) management, leadership, and organizational culture.(Naisya Nur Karimah & Siti Mujanah, 2021).

In Surabaya, with the increasing number of hospitals, it is important to implement practices that support sustainability such as Green Human Resource Management (Green HRM), Green Leadership, and Green Organizational Culture.(Maulana et al., 2023). Companies must use strategies to adapt to changes and win the competition in the increasingly tight business world. Because of globalization, growing businesses are very competitive.(Istanti, 2024b)

The application of this concept is not only aimed at improving organizational performance but also to ensure that environmental aspects are taken into account in every managerial decision. The areas most affected by globalization are the hospital sector, health workers, pharmaceutical industry, medical devices, and health insurance. The expansion of the Covid-19 pandemic worldwide has severely hampered almost all business and economic efforts.(Istanti, 2024a)

Work discipline is one of the key factors influencing employee performance. Workplace rules and conventions must be followed as part of work discipline, which can boost both individual and group productivity. According to Rahman, A., Sari, R., & Prabowo, (2021), work discipline is defined as "the ability of an individual to comply with the rules and procedures established in an organization, which contributes to improved performance and productivity." Disciplined employees tend to be more focused on the tasks assigned, so that work can be completed more quickly and efficiently.

Work discipline is not only related to compliance with rules, but also includes aspects of responsibility and work ethics. Employees who have high discipline usually show greater commitment to their work, which has a positive impact on work results. Research by Lestari, P., & Afifah, (2021) shows that good work discipline contributes to increased employee productivity, which in turn can improve overall organizational performance. This is in line with the findings expressed by Sutrisno, (2020) which emphasizes that high work discipline is positively related to employee effectiveness.

Employee behavior is greatly influenced by organizational culture in addition to work discipline. The values, customs, and behaviors that members of an organization adopt make up its culture, and they can have an impact on employee motivation and job satisfaction. Sari, D., & Prabowo, (2022) states that "organizational culture is a system of values and beliefs held by members of an organization, which influences the way they interact and work." A strong and upbeat culture can foster a helpful workplace where staff members feel appreciated and inspired to perform to the best of their abilities.

Employee collaboration and communication are also enhanced by a positive company culture. According to Sutrisno, (2020), "a strong organizational culture can increase team effectiveness and foster innovation." In this context, companies need to create a culture that supports openness, trust, and collaboration to improve employee performance. Research by Lestari, P., & Afifah, (2021) also

demonstrates how employee loyalty and performance may be raised by a positive corporate culture.

In the context of the construction industry, occupational safety and health (OHS) is a very important aspect. OHS not only focuses on the physical protection of employees, but also includes psychological aspects that can affect performance. Hidayat, R., & Sari, (2023) points out that "a good OHS culture can improve employee performance by creating a safe and healthy work environment." Establishing a strong OHS culture can lower workplace accidents and boost productivity in high-risk sectors like construction. Workers are more likely to be dedicated and productive when they feel safe at work.

PT. Pusaka Bawean Group, as a company engaged in the construction sector, faces challenges in improving employee performance. A dynamic and complex work environment requires an effective approach to managing discipline and organizational culture. In the construction industry, where occupational safety and health (OHS) is a top priority, it is important for companies to ensure that employees are not only disciplined, but also understand and implement the applicable safety culture.

The purpose of this study is to examine how organizational culture and work discipline affect PT. Pusaka Bawean Group employees' performance. The business can determine the best course of action to boost performance by comprehending this association. It is also anticipated that this study will offer fresh perspectives on how to maximize these two elements for improved outcomes.

Numerous earlier research have demonstrated a good relationship between employee performance and high work discipline. Research that integrates corporate culture and work discipline in the same environment is still lacking, nevertheless. Research by Lestari & Afifah (2021) emphasizes the importance of work discipline in increasing productivity, while Sutrisno, (2020) shows how organizational culture can influence employee effectiveness. Another study by Prasetyo, A., & Sari, (2022) also found that a strong organizational culture contributes to improved employee performance in the construction sector.

Thus, by combining organizational culture and work discipline as interconnected variables, this study presents a novel strategy. The study's findings should significantly advance the field of human resource management science since the focus on PT. Pusaka Bawean Group offers a pertinent and particular context.

The need to comprehend the elements that affect worker performance in construction companies—which frequently confront particular difficulties with regard to discipline and workplace culture—makes this research urgent. Companies must find and use efficient ways to boost employee performance in light of the industry's growing rivalry. It is anticipated that the study's findings will offer useful suggestions to PT. Pusaka Bawean Group's management for establishing a more effective and productive workplace.

It is anticipated that this study will reveal a strong correlation between employee performance, company culture, and work discipline. As a result, businesses may create more effective human resource management policies,

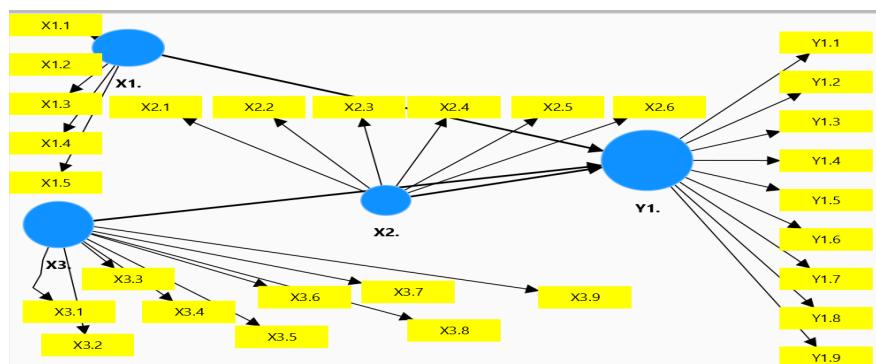
which will eventually help the organization reach its overall objectives. It's also anticipated that this study will offer fresh perspectives on how to best maximize these two elements for improved outcomes. As a result, businesses will enhance worker performance while simultaneously improving and safeguarding the workplace.

Lastly, this study will make a substantial contribution to the academic community, particularly in the area of human resource management, as well as to PT. Pusaka Bawean Group. In addition to improving our knowledge of the variables influencing worker performance, this study will offer actionable suggestions for raising productivity in construction firms.

METHOD

This study employs a descriptive and analytical research design with a quantitative methodology. To statistically quantify the relationship between the variables under study, the quantitative technique was selected.(Creswell, J. W., & Creswell, 2023). A population is a collection of individuals or items chosen for study by researchers based on specific numbers and attributes.(Creswell, J. W., & Creswell, 2023). The 60 employees of PT. Pusaka Bawean Group make up the study's population. A sample is a portion or representative of the population under study. Consequently, the sample can be considered typical of the population under study.(Arikunto, 2013) A sample of 10–15% or 20–25% of the population can be acquired if the population is greater than 100; if the population is less than 100, the sample must be taken as a whole (use the population). Saturated sampling is the method employed, in which every member of the population is used as a sample. Due to the population's modest size, this is done. All PT. Pusaka Bawean Group employees received questionnaires as part of the data collection process. To make it easier for respondents to complete, the questionnaire will be provided both directly and online.

The goal of the study and the significance of respondents' participation in completing the questionnaire will be explained by the researcher. Data analysis is the next stage in quantitative research once all the data has been gathered. Grouping data according to respondent type and variables, tabulating data according to all respondents' variables, showing data for each variable under study, computing to address the problem formulation, and evaluating the hypotheses put out are all part of this analysis.(Creswell, J. W., & Creswell, 2023). Data analysis is used to determine whether the research results are accepted or not.



Source: Researcher (2024)

Figure 1. Conceptual Framework

RESULTS AND DISCUSSION

Results

Evaluation of the Measurement Model or External Model It is necessary to estimate the measurement model in order to estimate the variable indicators that characterize the structure. Convergent validity, discriminant validity, and mixed reliability tests can all be used to evaluate the model. The relationship between the reflecting components and the latent variables is described by convergent validity tests. For a sufficiently substantial build, the indication is deemed appropriate if its indicator value is between 0.5 and 0.7. (Ghozali, 2014). The table below shows the value of the loading factor

Table 1. Convergent Validity Test Results

Variables	Loading Factor	Description
WORK DISCIPLINE (X1)	0.813	valid
	0.765	valid
	0.916	valid
	0.898	valid
	0.670	valid
OCCUPATIONAL SAFETY AND HEALTH (X2)	0.803	valid
	0.730	valid
	0.723	valid
	0.894	valid
	0.776	valid
	0.860	valid
ORGANIZATIONAL CULTURE (X3)	0.860	valid
	0.896	valid
	0.745	valid
	0.745	valid
	0.832	valid
	0.740	valid
	0.670	valid
	0.830	valid
	0.730	valid
EMPLOYEE PERFORMANCE	0.698	valid
	0.670	valid
	0.729	valid
	0.650	valid
	0.700	valid
	0.710	valid
	0.740	valid
	0.720	valid
	0.804	valid

Source: Researcher (2025)

As indicated in Table 1, each indicator variable yields a factor loading value greater than 0.70. As a result, the indicator is regarded as a trustworthy method of measuring the latent variables. Composite Reliability is used to assess the indicator's dependability based on the structural elements. The variable is deemed extremely good if the composite confidence value is greater than 0.7 and the recommended Cronbach's alpha is greater than 0.6.(Creswell, J. W., & Creswell, 2023). The following is the significance of composite reliability and Cronbach's alpha values in the table below.

Table 2 Composite Reliability Results and Cronbach's Alpha

	Cronbach's alpha	Composite reliability (rho a)	Description
X1.	0.757	0.897	0.850
X2.	0.818	0.859	0.871
X3.	0.748	0.885	0.789
Y1.	0.745	0.822	0.751

Source: Researcher (2025)

Table 2 shows that all of the latent variables are very reliable, with their Cronbach's alpha value exceeding 0.6 and their Composite Reliability value exceeding 0.7. Determining the correlation between the significant values of the constructs and the R-square of the research model is made simpler by testing the structural model, also known as the deep model. R-square is used to estimate each independent or dependent latent variable in the structural model. The table below displays the R-Square test results using SmartPLS.

Table 3 R-square

	R-square	R-square adjusted
Y1.	0.805	0.795

Source: Researcher (2025)

Work discipline, K3, and organizational culture factors account for 80.5% of the variance of employee performance variables, according to Table 3's R-Square values, which yield a value of 0.805. Variables not included in this research model influence the remaining 19.5%. This demonstrates that additional factors still affect how effectively workers perform.

Hypothesis Test Results

The t-statistic and p-value are necessary to test the hypothesis. If the p-value is less than 0.05, the hypothesis is accepted. The returns found in the output path and indirect effects coefficients or values serve as the foundation for evaluating the direct hypothesis. The relationship between variables is explained by structural model testing. The t-statistic and p-value are necessary to test the hypothesis. If the p-value is less than 0.05, the hypothesis is accepted. The returns found in the output path and indirect effects coefficients or values serve as the foundation for

evaluating the direct hypothesis. The relationship between variables is explained by structural model testing.

Table 4 Path Coefficient Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
X1. -> Y1.	0.273	0.243	0.129	2,565	0.000
X2. -> Y1.	0.644	0.614	0.132	4,880	0.000
X3. -> Y1.	0.377	0.380	0.130	2,900	0.004

Source: Researcher (2025)

The statistical value in Table 4 ($t = 2.565 > 1.96$ and p value < 0.05) suggests that performance is impacted by work discipline. K3 has an impact on employee performance, as evidenced by its statistical impact of $4.880 > 1.96$ and p value of $0.00 < 0.005$. With a statistical score of $t = 2.900 > 1.96$ and a p value of $0.04 < 0.05$, organizational culture is found to have an effect on employee performance.

Discussion

1. The Influence of Work Discipline on Employee Performance

A p -value of 0.000 and a β coefficient of 0.273 show that work discipline significantly and favorably affects employee performance. This indicates that workers with greater levels of job discipline do better work. The findings support this inquiry.Kumala et al., (2023) It asserts that an employee's performance increases with their level of job discipline. Having a strong work ethic helps the organization reach its objectives. This is the same as research conducted by Iskamto et al., (2020) The study, which was titled Effect of Working Discipline Toward Performance: An Empirical Investigation, came to the conclusion that, at FIF Group Company, work discipline significantly improves employee performance, and that, as a result, improving work discipline is likely to boost total employee performance.

2. The Influence of Occupational Safety and Health (K3) on Employee Performance

Employee performance is most affected by occupational safety and health (K3), as shown by its β coefficient of 0.644 and p -value of 0.000. This illustrates how creating a favorable K3 culture can significantly improve employee performance. Research by Sianturi & Siregar, (2023) The title, The

Influence of K3 (Occupational Safety and Health) and Training on Employee Performance, further supports the study's conclusion that K3 (Occupational Safety and Health) significantly improves employee performance. A corporation can boost staff productivity and performance by implementing a good K3 program. This is the same as research conducted by Satu et al., (2023) The results of his study, The Influence of Occupational Health and Safety (K3), Work Experience on Employee Performance at PT. Telaga Hikmah Kebun, indicate that work discipline has a positive and significant impact on employee performance at PT. Telaga Hikmah Satu. Enhancing work discipline is expected to improve employee performance in general.

3. The Influence of Organizational Culture on Employee Performance

β coefficient of 0.377 and p-value of 0.005 demonstrate that corporate culture has a positive and substantial impact on employee performance. A strong corporate culture can provide a supportive work environment where employees feel appreciated and motivated to give their best effort. This finding is in line with research Lau et al., (2020) under the heading "An Examination of the Impact of Organizational Culture on Employee Performance in Sarawakian Multinational Companies" The results of the study show that company culture greatly enhances employee performance. A positive corporate culture is expected to improve employee performance and make it easier to achieve company goals more quickly. This is supported by research conducted by Ozturk & Ozcan, (2020) In the banking industry, he carried out a study called "Impact of Organizational Culture and Leadership Styles on Employee Performance." The results of the study show that company culture greatly enhances employee performance. The implementation of a positive corporate culture is expected to improve

CONCLUSION

The following conclusions can be drawn from the research findings:

1. Work discipline, occupational safety and health (K3), and organizational culture all significantly and favorably affect employee performance at PT. Pusaka Bawean Group.
2. K3 has been shown to have the greatest impact on employee performance out of the three factors, suggesting that a safe and healthy workplace is crucial for boosting output.
3. Disciplined workers are more likely to be focused and efficient in their task completion, which leads to improved performance.
4. A positive corporate culture fosters a positive work atmosphere, boosts job satisfaction and employee motivation, and ultimately leads to improved performance.
5. In order to sustainably increase employee performance, this study advises PT. Pusaka Bawean Group's management to fortify work discipline, enhance K3 implementation, and cultivate a positive corporate culture.
6. The study's findings should serve as a guide for future research and offer fresh perspectives on human resource management, particularly as it relates to the construction sector.

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