

Analysis of the Influence of Work Loyalty and Organizational Commitment on Employee Performance through Work Discipline as Intervening Variables at PDAM Tirtasari Binjai

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Abstract

This study aims to find the direct and indirect influence of work loyalty and organizational commitment on employee performance through work discipline. The research was conducted at PDAM Tirtasari Binjai in 2025. The object of this research is all employees of PDAM Tirtasari Binjai which totals 258 employees consisting of 146 employees with the number of samples taken as many as 59 employees determined by the Slovin formula. The sampling technique used is the purposive sampling technique. The type of data used is primary-quantitative data. Data collection was carried out by distributing questionnaires. The research approach uses an associative-quantitative approach with the SEM-PLS (Structural Equation Modeling - Partial Least Squares) analysis technique. The data from the questionnaire distribution was processed with the SmartPLS 3 application. The results of the study show that work loyalty and organizational commitment directly have a positive and significant effect on work discipline. Work loyalty and organizational commitment directly have a non-significant effect on employee performance. Work discipline directly has a positive and significant effect on employee performance. Job loyalty is the variable that most affects work discipline and work discipline is the variable that most affects employee performance. Work loyalty and organizational commitment indirectly through work discipline have a positive and significant effect on employee performance. Work Loyalty (X1) and Organizational Commitment (X2) were able to contribute 82.3% to the formation of the Work Discipline variable (Z). Meanwhile, Work Loyalty (X1), Organizational Commitment (X2), and Work Discipline (Z) were able to contribute 72.3% to the formation of the Employee Performance variable (Y).

Keywords:

Work Loyalty, Organizational Commitment, Work Discipline, Employee Performance, SEM PLS.



Introduction

PDAM Tirtasari Binjai is a regional drinking water company operating in Binjai City, North Sumatra, Indonesia (Mutiara & Siregar, 2023). This PDAM focuses on providing quality clean water for the people of Binjai, with the aim of supporting daily water needs and improving the quality of life of the community (Firdaus & Indrawan, 2022). PDAM Tirtasari Binjai ensures a safe, stable, and affordable water supply with a distribution infrastructure that continues to be improved (Firdaus & Indrawan, 2022). In addition, PDAM Tirtasari Binjai also has a program to improve services and reduce water leaks, which aims to improve the efficiency and sustainability of the company's operations in the long term (Mutiara & Siregar, 2023).

The results of observations made regarding the performance of PDAM Tirtasari Binjai employees based on the indicators of Work Quality, Work Quantity, Time Frame, and Cost Effectiveness still have several problems. In terms of work quality, problems arise if the work results do not meet standards, such as repeated water leaks in the field or water quality that is often cloudy and complained about by customers. Regarding administration, there are also many employees who provide work results that are not in accordance with the expectations of the leadership. In the quantity of work, low productivity can be seen from the number of customer reports or complaints that have not been handled on time which makes customers wait longer regarding their complaints to be handled. In terms of time frames, delays in handling distribution outages or pipeline repairs often slow down service, reducing customer satisfaction. Finally, in Cost Effectiveness, a lack of efficiency in the use of the budget can lead to waste, especially if operational funds are not managed properly for the purpose of repair or maintenance (Firdaus & Indrawan, 2022). All of these problems show the need to improve employee performance to ensure that PDAM Tirtasari Binjai services are more effective and meet the needs of the community optimally.

Based on the work achievements of employees at the end of 2021-2023, it shows that there are still quite a lot of employees who have not reached the performance targets compiled at the beginning of 2021 as shown in the following Table 1:

| | | | | A | chievement | of Performan | ce Targe | ets | | |
|----------|-----------------------------|---------|-----------------|-------|------------|-----------------|----------|---------|-----------------|-------|
| V | Division | | 2022 | | | 2023 | | | 2024 | |
| Yes | Division | Reached | Not Achieved | Total | Reached | Not Achieved | Total | Reached | Not Achieved | Total |
| 1 | Finance & Administration | 10 | 5 | 15 | 13 | 3 | 16 | 11 | 9 | 20 |
| 2 | Customer | 19 | 8 | 27 | 18 | 9 | 27 | 18 | 14 | 32 |
| 3 | General Sections | 8 | 4 | 12 | 5 | 7 | 12 | 9 | 7 | 16 |
| 4 | Production Parts | 12 | 6 | 18 | 13 | 5 | 18 | 13 | 10 | 23 |
| 5 | Distribution | 14 | 12 | 26 | 20 | 8 | 28 | 16 | 15 | 31 |
| 6 | Engineering Planning | 10 | 11 | 21 | 14 | 9 | 23 | 12 | 12 | 24 |
| | Total | 73 | 46 | 119 | 83 | 41 | 124 | 79 | 67 | 146 |

Table 1. Employee Performance Achievement Data Based on Performance Targets

Table 1 shows that at the end of 2022 there were still 46 employees who had not reached the performance targets compiled at the beginning of 2022. In 2023 there are still 41 employees, and in 2024 there are still 67 employees who have not reached the performance target, which shows that the performance of some employees of PDAM Tirtasari Binjai City is still not good.



This results in a lack of employee performance considering that many employees do not meet their work achievements. Poor employee performance at PDAM Tirta Sari Binjai City can have a negative impact on overall employee work performance. Employees who do not meet performance standards can result in decreased operational efficiency, increased number of customer complaints, and decreased water service quality. A lack of individual dedication and responsibility can hinder the achievement of company targets, both in terms of service quality and operational efficiency. Therefore, poor performance can be a barrier to optimal work performance, threaten operational sustainability, and the reputation of PDAM Tirta Sari in the eyes of the public.

The results of observations made related to the work discipline of PDAM Tirtasari Binjai employees based on indicators of attendance history, compliance with regulations, adherence to work procedures, and responsibilities in duty have several problems. In the attendance history, there are employees who are often absent or late for work which interferes with productivity and affects service to customers. In terms of compliance with regulations, many employees often violate regulations such as leaving the office for personal needs, employees who are less friendly or unresponsive to customer complaints, which has an impact on company image and customer satisfaction, slowing down work in the field to get overtime, and so on. In terms of adherence to work procedures, some employees do not always comply with SOPs, such as leak handling or waste management procedures, which risks reducing service quality. Finally, regarding the responsibility of duty, some employees show a lack of initiative or desire to complete tasks completely, for example in completing repairs or infrastructure maintenance. All of these problems show the need to improve work discipline so that PDAM Tirtasari Binjai's services run more smoothly and effectively.

The results of observations made regarding the work loyalty of PDAM Tirtasari Binjai employees based on indicators of employee presence, employee involvement, employee pride, employee love, and employee obedience have several problems. In the indicator of employee presence, it is often found that employees are less motivated to stay in work in the long term or even often look for opportunities elsewhere that show low employee job loyalty. In employee engagement indicators, some employees are less active in maintaining the company's image, are not motivated to give their best in their tasks, and rarely contribute to problems that are solved as a team. On the employee pride indicator, there are still employees who are reluctant to identify with the company and rarely tell about the company as a good place to work which indicates they are not very proud of their work in the company. In terms of indicators of employee love, it is also still constrained, shown by low work morale, lack of employee enthusiasm at work, and lack of concern of employees for the company's development. Finally, in the indicator of employee compliance, some employees still often arrive late, do not comply with dress codes, or do not comply with operational procedures. This problem indicates the need to increase employee job loyalty so that employee performance and work discipline towards the company are better.

The results of observations made regarding the organizational commitment of PDAM Tirtasari Binjai employees based on the indicators of affective commitment, normative commitment, continuity commitment, and overall commitment still have several problems. In the affective commitment indicator, some employees show a lack of emotional attachment to the company, as seen from the low sense of pride and indifference of employees to the



company's values. When it comes to normative indicators of commitment, employees tend to feel less morally responsible for staying at the company which reduces their loyalty and increases the likelihood that they will move to another company. Regarding the indicator of continuity commitment, employees feel that there are no major consequences if they leave the company because they do not feel that their time investment and feel that their efforts are not appreciated too much, so that the interest in staying is reduced, especially if there are other companies that offer better compensation or careers. In terms of overall commitment indicators, some employees still feel that they are not being treated fairly, some employees also feel that they are not in line with the company's values which causes their commitment to weaken. This problem indicates the need to increase organizational commitment so that employees are more engaged and motivated to contribute optimally.

Literature Review

The Relationship between Work Loyalty and Organizational Commitment to Work Discipline

Job loyalty has a significant influence on employee work discipline (Muhamad et al., 2023). Loyal employees tend to have more responsibility for company rules and procedures, as they want to maintain the reputation and stability of their workplace (Ferine & Juniarti, 2022). This loyalty encourages them to be on time, comply with applicable regulations, and carry out duties with full obedience (Muhamad et al., 2023). Loyal employees see compliance with the rules not only as an obligation, but as part of their contribution to maintaining the smooth operation of the company (Fathonah, 2023). Thus, high loyalty creates consistent work discipline, which not only affects individuals but also positively impacts the overall work culture (Arista, 2023).

According to Fahmi (2021), employee work discipline is influenced by various factors, including: company culture, work loyalty, leadership, organizational commitment, and the reward and sanction system. This is in line with the results of research conducted by Muhamad et al. (2023) which gave results that work loyalty has a positive and significant effect on employee work discipline.

In addition to increasing discipline, work loyalty also has a positive impact on employee performance (Rusyana et al., 2023). Loyal employees tend to have a strong intrinsic motivation to excel, so they try to provide the best results at work (Rizal et al., 2023). Loyalty makes employees more proactive, effective, and focused on completing their tasks, because they feel attached and responsible for the company's success (Rusyana et al., 2023). As a result, employee performance has increased, both in terms of productivity and the quality of work results. With high work loyalty, employees not only strive to achieve targets, but are also moved to support the company's long-term goals, which ultimately improves the overall performance of the organization (Rizal et al., 2023).

According to Kasmir (2018), there are many factors that affect employee performance, both results and work behavior, namely: abilities and expertise, knowledge, work design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline. This is in line with



the results of research conducted by Rusyana et al., (2023) and Arista (2023) which gave results that job loyalty has a positive and significant effect on employee performance.

The Relationship between Work Loyalty and Organizational Commitment to Employee Performance

Work loyalty reflects commitment and loyalty to the organization. Loyal employees tend to work with high dedication, maintain integrity, and strive to provide the best results for the company (Suhardi et al., 2021). They are also more motivated to complete tasks efficiently and qualitatively (Rusyana et al., 2023). In addition, work loyalty increases team stability, reduces absenteeism and turnover rates, and creates a harmonious work environment that encourages an increase in overall productivity (Damayanti, 2023).

According to Kasmir (2018), there are many factors that affect employee performance, both results and work behavior, namely: abilities and expertise, knowledge, work design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline. This is in line with the results of research conducted by Suhardi et al. (2021) which gave results that work loyalty has a positive and significant effect on employee performance.

On the other hand, organizational commitment also has a direct impact on employee performance (Yousida et al., 2024). Committed employees tend to have higher motivation to achieve optimal work results, so they are more enthusiastic and productive in completing their tasks (Ferine & Juniarti, 2022). This commitment encourages them to contribute in a more proactive way, such as providing new ideas, supporting teams, and striving to exceed expectations (Arista, 2023). This high employee performance not only increases individual productivity but also strengthens the overall competitiveness of the company. Through strong organizational commitment, the company can achieve its strategic goals more effectively, as each employee makes the best contribution to mutual success (Arisatianca et al., 2024).

According to Fahmi (2021), employee work discipline is influenced by various factors, including: company culture, work loyalty, leadership, organizational commitment, and the reward and sanction system. This is in line with the results of research conducted by Purnama & Zulfikar (2023) which gave results that organizational commitment has a positive and significant effect on employee work discipline.

The Relationship of Work Discipline to Employee Performance

Work discipline has a great influence on employee performance because it creates order, consistency, and responsibility in carrying out duties (Hidayati, 2023). When employees are disciplined, they are more punctual, focused, and meticulous in their work, which helps them achieve targets and increase overall productivity (Susanti et al., 2023). Discipline also encourages employees to comply with organizational rules and procedures, so as to minimize errors and optimize efficiency. Conversely, indiscipline tends to lead to decreased work quality, delays, and conflicts within the team, which negatively impact performance (Yousida et al., 2024). With a strong culture of discipline, employees feel encouraged to continue to grow, deliver the best results, and contribute positively to the achievement of organizational goals in a sustainable manner (Ichsan et al., 2020).



According to Kasmir (2018), there are many factors that affect employee performance, both results and work behavior, namely: abilities and expertise, knowledge, work design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline. The results of research conducted by Rahmawati & Vitaharsa (2024), Patimah et al., (2024), Peny (2023), and Hidayati (2023) prove that work discipline has a positive and significant effect on employee performance.

Methods

This study uses an associative-quantitative approach with the aim of analyzing the direct and indirect influence of independent variables on bound variables through intermediate variables, using quantitative data in the form of numbers collected through questionnaires. The research was conducted at PDAM Tirtasari Binjai which is located on Jalan Wolter Mongonsidi No. 12, Satria Kec. The population in this study is all employees of PDAM Tirta Sari Binjai totaling 146 people. The number of samples is determined by the Slovin formula with an error tolerance of 10%, so that the number of samples taken is 59 employees. The sampling technique used is purposive sampling.

$$n = \frac{N}{1+Ne^2} = \frac{146}{1+146(0.10^2)} = = \frac{146}{1+146(0.01)} \frac{146}{2,46} = 59,35 = 59 \text{ (pembulatan)}$$

Data analysis was conducted using Structural Equation Modeling (SEM) with Partial Least Square (PLS) in SmartPLS 3.0 software. According to Abdillah & Jogiyanto (2022), SEM-PLS is a statistical method for modeling complex relationships between latent variables (not directly observable), which combines path and factor analysis. Ghozali & Kusumadewi (2023) further explain that PLS is a robust method, as it does not rely on many assumptions.

| Variable | Definition | Indicators | Scale |
|--------------|---|-----------------------------|--------|
| Employee | The results of work and behavior that have been | 1. Quality of Work | Likert |
| Performance | achieved in completing the tasks and responsibilities | 2. Working Quantity | |
| (Y) | given in a certain period. | 3. Period | |
| | Cashmere (2018) | 4. Cost Suppression | |
| | | 5. Supervision | |
| | | 6. Relationship between | |
| | | Employees | |
| | | Cashmere (2018) | |
| Work | The level of compliance and obedience to the | 1. Attendance History | Likert |
| Discipline | applicable rules and willingness to accept sanctions or | 2. Obedience to the Rules | |
| (Z) | punishments if they violate the rules that have been | 3. Compliance with Work | |
| | set. | Procedures | |
| | Fahmi (2021) | 4. Responsibilities in Duty | |
| | | Fahmi (2021) | |
| Work Loyalty | The willingness of the employee with all the ability, | 1. Employee Presence | Likert |
| (X1) | skills, mind, and time to participate in achieving the | 2. Employee Engagement | |
| | organization's goals and keep the organization's | 3. Employee Pride | |
| | secrets and not to take actions that are detrimental to | 4. Employee Love | |
| | the organization as long as the person is still an | 5. Employee Compliance | |
| | employee. | Squirt (2018) | |
| | Squirt (2018) | | |

Table 2. Research Variables



Analysis of the Influence of Work Loyalty and Organizational Commitment on Employee Performance through Work Discipline as Intervening Variables at PDAM Tirtasari Binjai

| Variable | Definition | Indicators | Scale |
|---------------|---|--------------------------|--------|
| Organizationa | Employee loyalty to the organization, which is | 1. Affective Commitment | Likert |
| l Commitment | reflected in their high commitment to achieve the | 2. Normative Commitment | |
| (X2) | organization's goals. | 3. Continuity Commitment | |
| | Priansa (2022) | 4. Overall Commitment | |
| | | Priansa (2022) | |

Result

Respondent Characteristics

The data displayed in this table shows the results of the distribution of questionnaires to 59 employees of PDAM Tirtasari Binjai, which are divided based on several categories of respondent characteristics as follows:

| Category | Characteristic | Frequency | Percent (%) | Total | Total (%) |
|-------------------|------------------------|-----------|-------------|-------|-----------|
| Respondent Gender | Man | 31 | 52,5 | 59 | 100,0 |
| Respondent Gender | Woman | 28 | 47,5 | 39 | 100,0 |
| | Under 26 years old | 2 | 3,4 | | |
| | 26 - 30 Years | 8 | 13,6 | | |
| | 31 - 35 Years | 13 | 22,0 | | |
| Respondent Age | 36 - 40 Years | 11 | 18,6 | 59 | 100,0 |
| Respondent Age | 41 - 45 Years | 9 | 15,3 | 39 | 100,0 |
| | 46 - 50 Years | 8 | 13,6 | | |
| | 51 - 55 Years | 6 | 10,2 | | |
| | Over 55 years old | 2 | 3,4 | | |
| | High School/Vocational | 4 | 6,8 | | |
| | School | | | | |
| Final Education | Diploma-3 | 4 | 6,8 | 59 | 100,0 |
| Fillal Education | Diploma-4 / Strata 1 | 42 | 71,2 | | 100,0 |
| | Strata-2 | 9 | 15,3 | | |
| | Strata-3 | 0 | 0,0 | | |
| | Less than 3 Years | 5 | 8,5 | | |
| Tenure | 4 - 6 Years | 11 | 18,6 | 59 | 100,0 |
| Tenure | 7 - 9 Years | 19 | 32,2 | 39 | 100,0 |
| | More than 9 Years | 24 | 40,7 | | |
| Marital Status | Unmarried | 14 | 23,7 | 59 | 100,0 |
| Wallal Status | Marry | 45 | 76,3 | 39 | 100,0 |

Table 3. Identity Characteristics of Research Respondents

These results provide an overview of the profile of PDAM Tirtasari Binjai employees who are mostly experienced, highly educated, and productive age workers, who can contribute to their discipline and performance in the organization.

Characteristics of respondents' answers to each statement item

The characteristics of respondents' answers for each question item on the variables of Job Loyalty (X1), Organizational Commitment (X2), Work Discipline (Z), and Employee Performance (Y) can be seen in the following table:

Table 4. Respondent Response Characteristics for Work Loyalty Variable (X1)

| NO | STATEMENT | STS | TS | Ν | S | SS |
|-----|---|--------|--------|---------|---------|---------|
| Emp | loyee Presence | | | | | |
| 1 | Employees feel that they have been working here for | 1 | 4 | 6 | 17 | 31 |
| 1 | a long time | (1,7%) | (6,8%) | (10,2%) | (28,8%) | (52,5%) |
| | | | | | | |

EX SA

| Analysis of the Influence of Work Loyalty and Organizational Commitment on Employee |
|---|
| Performance through Work Discipline as Intervening Variables at PDAM Tirtasari Binjai |

| NO | STATEMENT | STS | TS | Ν | S | SS |
|-----|---|--------|--------|-----------|---------|---------|
| 2 | Employees never think about quitting this job | 1 | 4 | 6 | 28 | 20 |
| 2 | | (1,7%) | (6,8%) | (10,2%) | (47,5%) | (33,9%) |
| Emp | loyee Engagement | | | | | |
| 3 | Employees always maintain the company's good | 0 | 3 | 2 (E 10/) | 27 | 26 |
| 3 | name inside and outside the company environment | (0,0%) | (5,1%) | 3 (5,1%) | (45,8%) | (44,1%) |
| 4 | Employees try to work as much as possible to | 1 | 1 | 4 | 27 | 26 |
| 4 | provide the best work results | (1,7%) | (1,7%) | (6,8%) | (45,8%) | (44,1%) |
| Emp | loyee Pride | | | | | |
| 5 | Employees never feel embarrassed to tell where they | 1 | 3 | 5 | 27 | 23 |
| 5 | work to friends or family | (1,7%) | (5,1%) | (8,5%) | (45,8%) | (39,0%) |
| (| Employees make the decision to work in this | 1 | 4 | 4 | 26 | 24 |
| 6 | company is the right decision. | (1,7%) | (6,8%) | (6,8%) | (44,1%) | (40,7%) |
| Emp | loyee Love | | | | | |
| 7 | Employees hope that the company can be more | 1 | 4 | 5 | 26 | 23 |
| 1 | advanced and continue to grow rapidly | (1,7%) | (6,8%) | (8,5%) | (44,1%) | (39,0%) |
| | Employees feel attached to the company so that | 1 | 4 | 4 | 20 | 22 |
| 8 | employees are happy if the company becomes more | | 4 | 4 | 28 | |
| | advanced | (1,7%) | (6,8%) | (6,8%) | (47,5%) | (37,3%) |
| Emp | loyee Compliance | | | | | |
| 9 | Employees try to comply with all work regulations | 0 | 3 | 6 | 34 | 16 |
| 9 | and procedures set by the company. | (0,0%) | (5,1%) | (10,2%) | (57,6%) | (27,1%) |
| 10 | Employees obey the rules because they are aware | 1 | 3 | 3 | 26 | 26 |
| 10 | that as employees they must obey the rules. | (1,7%) | (5,1%) | (5,1%) | (44,1%) | (44,1%) |

Data shows that PDAM Tirtasari Binjai employees have a fairly high level of loyalty, as can be seen from their desire to stay in the company, involvement in maintaining a good name and providing the best performance, and compliance with regulations.

Table 5. Respondent Response Characteristics for Organizational Commitment Variables

| | (X2) | | | | | | | | | |
|------|---|-------------|-------------|---------------|---------------|---------------|--|--|--|--|
| NO | STATEMENT | STS | TS | Ν | S | SS | | | | |
| Affe | ctive Commitment | | | | | | | | | |
| 1 | The agency provides facilities that are quite complete to facilitate the completion of the tasks given | 0 (0,0%) | 5 (8,5%) | 4 (6,8%) | 24 (40,7%) | 26 (44,1%) | | | | |
| 2 | The equipment provided by the agency works very well | 1 (1,7%) | 4 (6,8%) | 12 (20,3%) | 25 (42,4%) | 17 (28,8%) | | | | |
| Nor | mative Commitment | | | | | | | | | |
| 3 | Employees feel a moral obligation to continue to contribute to the company. | 1 (1,7%) | 1 (1,7%) | 6 (10,2%) | 24 (40,7%) | 27 (45,8%) | | | | |
| 4 | Employees have a responsibility to remain loyal to the company. | 1 (1,7%) | 3 (5,1%) | 3 (5,1%) | 34 (57,6%) | 18 (30,5%) | | | | |
| Con | tinuity Commitment | | | | | | | | | |
| 5 | Employees find it difficult to find comparable work if they leave the company. | 1 (1,7%) | 3 (5,1%) | 4 (6,8%) | 36 (61,0%) | 15 (25,4%) | | | | |
| 6 | Employees believe that losing their jobs in this organization would be financially detrimental. | 1 (1,7%) | 2 (3,4%) | 5 (8,5%) | 26 (44,1%) | 25 (42,4%) | | | | |
| Ove | rall Commitment | | | | | | | | | |
| 7 | Employees feel that this organization treats employees fairly and fairly. | 3 (5,1%) | 2 (3,4%) | 6 (10,2%) | 21 (35,6%) | 27 (45,8%) | | | | |
| 8 | Employees have the belief that this organization has a vision and mission that is in line with employee values. | 2 (3,4%) | 2 (3,4%) | 8 (13,6%) | 25 (42,4%) | 22 (37,3%) | | | | |

Data shows that PDAM Tirtasari Binjai employees have a high level of organizational commitment, both in terms of affective, normative, and continuity aspects. However,



Analysis of the Influence of Work Loyalty and Organizational Commitment on Employee Performance through Work Discipline as Intervening Variables at PDAM Tirtasari Binjai

improvements in work facilities and employee welfare can further increase their loyalty to the company.

| | Table 6. Respondent Answer Characteristics for Work Discipline Variable (Z) | | | | | | | | | | |
|------|---|---------|--------|-----------|---------|---------|--|--|--|--|--|
| NO | STATEMENT | STS | TS | Ν | S | SS | | | | | |
| Atte | Attendance History | | | | | | | | | | |
| 1 | Employees are always present at work according to the set | 1 | 3 | 8 | 24 | 23 | | | | | |
| 1 | schedule. | (1,7%) | (5,1%) | (13,6%) | (40,7%) | (39,0%) | | | | | |
| 2 | Employees very rarely or never are absent without a clear | 1 | 3 | 4 | 27 | 24 | | | | | |
| 2 | reason or prior permission. | (1,7%) | (5,1%) | (6,8%) | (45,8%) | (40,7%) | | | | | |
| Obe | edience to the Rules | | | | | | | | | | |
| 3 | Employees always comply with applicable schedules and | 1 | 1 | 5 | 27 | 25 | | | | | |
| 0 | working hours. | (1,7%) | (1,7%) | (8,5%) | (45,8%) | (42,4%) | | | | | |
| 4 | Employees follow all internal policies and regulations of the | 0 | 3 | 3 | 25 | 28 | | | | | |
| 1 | company. | (0,0%) | (5,1%) | (5,1%) | (42,4%) | (47,5%) | | | | | |
| Con | npliance with Work Procedures | | | | | | | | | | |
| | Employees work in accordance with the SOP to ensure that | 0 | 3 | 6 | 27 | 23 | | | | | |
| 5 | all tasks are carried out in accordance with the set | (0,0%) | (5,1%) | (10,2%) | (45,8%) | (39,0%) | | | | | |
| | procedures. | (0,0,0) | | | . , | | | | | | |
| 6 | Employees maintain that their work results are in accordance | 1 | 3 | 3 | 26 | 26 | | | | | |
| | with the expected quality standards. | (1,7%) | (5,1%) | (5,1%) | (44,1%) | (44,1%) | | | | | |
| Res | ponsibilities in Duty | | | | | | | | | | |
| 7 | Employees always get the job done without delay. | 1 | 3 | 5 | 31 | 19 | | | | | |
| , | | (1,7%) | (5,1%) | (8,5%) | (52,5%) | (32,2%) | | | | | |
| 8 | Employees complete tasks responsibly. | 0 | 2 | 3 (5,1%) | 24 | 30 | | | | | |
| | | (0,0%) | (3,4%) | 0 (0,170) | (40,7%) | (50,8%) | | | | | |

The level of work discipline of PDAM Tirtasari Binjai employees is categorized as good. However, there are still a small number of employees who show a neutral or disagreeable attitude in some aspects, which can be a concern for management to improve discipline as a whole.

Table 7. Respondent Answer Characteristics for Employee Performance Variables (Y)

| NO | QUESTION | STS | TS | Ν | S | SS SS |
|------|--|--------|--------|-----------|---------|---------|
| Qua | lity of Work | | | | | |
| 1 | The employees gave me the results of my work in accordance | | 2 | 2 (5 19/) | 23 | 30 |
| 1 | with the company's standards and expectations. | (1,7%) | (3,4%) | 3 (5,1%) | (39,0%) | (50,8%) |
| 2 | Employees always try to maintain the relationship between | 1 | 2 | 3 (5 1%) | 25 | 28 |
| 2 | work results and desired goals. | (1,7%) | (3,4%) | 3 (5,1%) | (42,4%) | (47,5%) |
| Wo | king Quantity | | | | | |
| 3 | Employees always meet the target volume of work given by | 1 | 1 | 4 (6,8%) | 20 | 33 |
| 5 | their superiors. | (1,7%) | (1,7%) | 4 (0,070) | (33,9%) | (55,9%) |
| 4 | Employees maintain consistency in producing a stable work | 0 | 2 | 3 (5,1%) | 24 | 30 |
| т | volume every day. | (0,0%) | (3,4%) | 5 (5,170) | (40,7%) | (50,8%) |
| Peri | od | | | | | |
| 5 | Employees complete the work according to the | 0 | 2 | 4 (6,8%) | 24 | 29 |
| 0 | predetermined time. | (0,0%) | (3,4%) | | (40,7%) | (49,2%) |
| 6 | Employees use their work time effectively to achieve work | 1 | 2 | 2 (3,4%) | 23 | 31 |
| | targets. | (1,7%) | (3,4%) | | (39,0%) | (52,5%) |
| Cos | t Suppression | | | | | |
| 7 | Employees carry out their duties according to procedures to | 1 | 2 | 4 (6,8%) | 26 | 26 |
| , | avoid negligence that is detrimental to the company. | (1,7%) | (3,4%) | 4 (0,070) | (44,1%) | (44,1%) |
| 8 | Employees work carefully to avoid losses or additional costs | 0 | 2 | 4 (6,8%) | 19 | 34 |
| 0 | for the company. | (0,0%) | (3,4%) | Ŧ (0,070) | (32,2%) | (57,6%) |



Analysis of the Influence of Work Loyalty and Organizational Commitment on Employee Performance through Work Discipline as Intervening Variables at PDAM Tirtasari Binjai

| NO | QUESTION | Ν | S | SS | | |
|------|--|--------|--------|-----------|---------|---------|
| Sup | ervision | | | | | |
| 9 | The supervision carried out is able to help employees | 1 | 3 | 2 (5 10/) | 30 | 22 |
| 9 | maintain the quality of the work produced. | (1,7%) | (5,1%) | 3 (5,1%) | (50,8%) | (37,3%) |
| 10 | The supervision applied makes employees more disciplined | 1 | 2 | 6 | 22 | 28 |
| 10 | in carrying out their duties. | (1,7%) | (3,4%) | (10,2%) | (37,3%) | (47,5%) |
| Rela | ationship between Employees | | | | | |
| 11 | Employees always respect each other and support each other | 1 | 1 | E (0 E0/) | 19 | 33 |
| 11 | in completing work. | (1,7%) | (1,7%) | 5 (8,5%) | (32,2%) | (55,9%) |
| 10 | The relationships established between employees help | 1 | 3 | 4 (6 00/) | 25 | 26 |
| 12 | increase employee work productivity. | (1,7%) | (5,1%) | 4 (6,8%) | (42,4%) | (44,1%) |

The results of the questionnaire showed that the performance of PDAM Tirtasari Binjai employees was in the good category. The majority of employees are able to work with good quality and quantity, complete work on time, and work efficiently by reducing unnecessary costs. In addition, the supervision carried out also helps to improve employee discipline, while good working relationships create a conducive work environment. However, there are still a small number of employees who give neutral or disagreeable answers, which can be a focus of improvement for management in improving overall performance.

Statistical Analysis Results of the SEM-PLS Method Model

Measurement Model (Outer Model)



Figure 1. Outer Model

Validity Test

Convergent Validity with Loading Factor (Outer Loadings)

Table 8. Value Loading Factor (Outer Loadings)

| Statement Job Loyalty Organizational Commitment Work Discipline Employee Perform | | | | | | | | | |
|--|-------|-------|-------|-------|--|--|--|--|--|
| Items | (X1) | (X2) | (Z) | (Y) | | | | | |
| 1 | 0,718 | 0,714 | 0,795 | 0,859 | | | | | |



Dian Mayna Antika Sari, Kiki Farida Ferine:

0,799

0,803 0,738

| Performance through Work Discipline as Intervening Variables at PDAM Tirtasari Binjai | | | | | | |
|---|-------------|---------------------------|-----------------|----------------------|--|--|
| Statement | Job Loyalty | Organizational Commitment | Work Discipline | Employee Performance | | |
| Items | (X1) | (X2) | (Z) | (Y) | | |
| 2 | 0,823 | 0,757 | 0,803 | 0,754 | | |
| 3 | 0,717 | 0,903 | 0,805 | 0,839 | | |
| 4 | 0,831 | 0,763 | 0,791 | 0,737 | | |
| 5 | 0,815 | 0,899 | 0,773 | 0,731 | | |
| 6 | 0,905 | 0,781 | 0,886 | 0,809 | | |
| 7 | 0,754 | 0,873 | 0,856 | 0,847 | | |
| 8 | 0,871 | 0,900 | 0,829 | 0,738 | | |
| 9 | 0,720 | | | 0,751 | | |

Analysis of the Influence of Work Loyalty and Organizational Commitment on Employee

The results of the loading factor show that each statement item in each variable has a loading factor value greater than 0.7 so that convergent validity has been met (Shadida & Rahayu, 2024).

Discriminant Validity with Fornell-Larcker Criterion

0,731

| Variable | Work Discipline (Z) | Employee Performance (Y) | Organizational Commitment (X2) | Job Loyalty (X1) |
|-----------------------------------|------------------------|-----------------------------|--------------------------------------|------------------|
| Work Discipline (Z) | 0,818 | | | |
| Employee Performance (Y) | 0,837 | 0,785 | | |
| Organizational Commitment (X2) | 0,863 | 0,783 | 0,827 | |
| Job Loyalty (X1) | 0,863 | 0,779 | 0,811 | 0,891 |

This result shows that the square root value of AVE on the diagonal of the correlation matrix (Fornell-Larcker Criterion) is greater than the correlation between other constructs, so discriminant validity is considered to be fulfilled (Shadida & Rahayu, 2024).

Reliability Test

10

11

12

| | Table 10. Reliability Test Re | sults |
|--------------------------------|-------------------------------|-----------------------|
| Variable | Cronbach's Alpha | Composite Reliability |
| Job Loyalty (X1) | 0,933 | 0,943 |
| Organizational Commitment (X2) | 0,933 | 0,945 |
| Work Discipline (Z) | 0,929 | 0,942 |
| Employee Performance (Y) | 0,943 | 0,951 |

The results showed that each variable had a Cronbach's Alpha value greater than 0.7 which indicates that the construct has fairly good reliability. The resulting Composite Reliability (CR) value has also been greater than 0.7, which shows that the construct has good reliability and the indicators in the construct are consistent in measuring the construct (Shadida & Rahayu, 2024).



Structural Model (*Inner Model*)

The results of the Outer Model based on the results of data processing with SmartPLS 3 can be seen in the following image:



Figure 2. Inner Model

Coeficient of Determination or R Square (R2)

| Variable | R Square | R Square Adjusted |
|--------------------------|----------|-------------------|
| Work Discipline (Z) | 0,823 | 0,816 |
| Employee Performance (Y) | 0,723 | 0,708 |

The R *square* value in Work Discipline (Z) is 0.823 which indicates that Work Loyalty (X1) and Organizational Commitment (X2) are able to contribute or explain 82.3% of the formation of the Work Discipline variable (Z) while the remaining 17.7% is influenced by other factors that were not discussed in the study (Ghozali & Kusumadewi, 2023).

The R *square* value in Employee Performance (Y) is 0.723 which indicates that Work Loyalty (X1), Organizational Commitment (X2), and Work Discipline (Z) are able to contribute or explain 72.3% of the formation of the Employee Performance variable (Y) while the remaining 27.7% is influenced by other factors that were not discussed in the study (Ghozali & Kusumadewi, 2023).

| Table 12. Predictive Relevance (Q2) Results | | | | | |
|--|---------|---------|-----------------------------|--|--|
| Variable | SSO | SSE | Q ² (=1-SSE/SSO) | | |
| Work Discipline (Z) | 472,000 | 222,089 | 0,529 | | |
| Employee Performance (Y) | 708,000 | 430,614 | 0,392 | | |
| Organizational Commitment (X2) | 472,000 | 472,000 | | | |
| Job Loyalty (X1) | 590,000 | 590,000 | | | |

Predictive Relevance (Q2)

CC O O Creative

The Q² values for Work Discipline (Z) and Employee Performance (Y) were 0.529 and 0.392, respectively, which were greater than 0.35 so that the Q² value was positive which showed that the model had high predictive relevance (Abdillah & Jogiyanto, 2022).

Path Coefficient

Test Hypothesis with t-Statistic and P Values for Direct Influence

| Table 13. t-Statistic and P Values Results for Direct Influence | | | | | |
|---|------------|--------------|--------|-------------|--|
| Structural Models | Original | T Statistics | Р | Conclusion | |
| Structural Models | Sample (O) | (O/STDEV) | Values | | |
| Work Ethic (X1) - > Work Discipline (Z) | 0,478 | 3,228 | 0,001 | Accepted | |
| Job Loyalty (X1) -> Employee Performance (Y) | 0,165 | 0,982 | 0,327 | Rejected | |
| Organizational Commitment (X2) -> Work | 0.475 | 3.410 | 0.001 | A scoreto d | |
| Discipline (Z) | 0,475 | 3,410 | 0,001 | Accepted | |
| Organizational Commitment (X2) -> Employee | 0.214 | 1,643 | 0.101 | Rejected | |
| Performance (Y) | 0,214 | 1,045 | 0,101 | Rejected | |
| Work Discipline (Z) -> Employee Performance (Y) | 0,509 | 2,999 | 0,003 | Accepted | |

The results of the hypothesis test with t-statistic showed that the t-statistic value of the direct influence of Work Loyalty (X1) on Work Discipline (*Z*), Organizational Commitment (X2) on Work Discipline (*Z*), and Work Discipline (*Z*) on Employee Performance (Y) was each greater than 1.96 which showed a significant influence. In addition, each also had a P *Values* of less than 0.05 which showed a significant influence (Abdillah & Jogiyanto, 2022).

Work Loyalty (X1) to Employee Performance (Y) and Organizational Commitment (X2) to Employee Performance (Y) each had a t-statistic value of less than 1.96 which showed no significant influence. In addition, each also had a P *Values* greater than 0.05 which indicates no significant influence (Abdillah & Jogiyanto, 2022).

All direct influences have an *Original Sample* (O) value of positive value, which means that all direct influences have a positive effect (Shadida & Rahayu, 2024). Job loyalty is the variable that has the most influence on work discipline and work discipline is the variable that has the most influence on employee performance because it has the largest *Original Sample* (O) value for each structural model.

Test Hypothesis with t-Statistic and P Values for Direct Influence

| Table 14. t-Statistic and P Values Results for Indirect Influence | | | | | |
|--|------------------------|-----------------------------|----------|------------|--|
| Structural Models | Original Sample (O) | T Statistics (O/STDEV) | P Values | Conclusion | |
| Job Loyalty (X1) -> Work Discipline (Z) -> Employee Performance (Y) | 0,243 | 2,566 | 0,011 | Accepted | |
| Organizational Commitment (X2) -> Work Discipline (Z) -> Employee Performance (Y) | 0,242 | 2,031 | 0,043 | Accepted | |

The results of the hypothesis test with t-statistic showed that the t-statistic value of the indirect influence of Work Loyalty (X1) through Work Discipline (Z) on Employee Performance (Y) and Organizational Commitment (X2) through Work Discipline (Z) on Employee Performance (Y) was each greater than 1.96 which showed a significant indirect



influence. In addition, the P *values* of each of them are also smaller than 0.05, which indicates that there is an indirect significant influence (Ghozali & Kusumadewi, 2023).

All indirect influences have a *positive Original Sample* (O) value, which means that all indirect influences have a positive effect (Shadida & Rahayu, 2024).

Discussion

The Effect of Job Loyalty on Work Discipline

The results of the study show that work loyalty has a positive and significant effect on the work discipline of PDAM Tirtasari Binjai employees. The results of this study are in line with the theory put forward by Fahmi (2021) which explains that there are many factors that affect employee work discipline, one of which is job loyalty. The results of this study are also in line with the research conducted by Muhamad et al. (2023) which gave results that work loyalty has a positive and significant effect on employee work discipline.

Work loyalty is a form of emotional attachment, commitment, and dedication of employees to the organization where they work (Muhamad et al., 2023). This loyalty is shown through the willingness of employees to obey the rules, work wholeheartedly, and have a high sense of responsibility for their duties (Ferine & Juniarti, 2022). Employees who have high loyalty tend to be more compliant with company regulations and policies (Fathonah, 2023). They understand that compliance with internal regulations, such as working hours, operational procedures, and service standards, is part of their contribution to the company's sustainability (Arista, 2023). Thus, the level of work discipline increases because employees are more aware of the importance of following the rules to achieve common goals (Muhamad et al., 2023).

Work loyalty also fosters a sense of belonging to the company (Fathonah, 2023). When employees feel part of PDAM Tirtasari Binjai, they will be more responsible in carrying out their duties properly. This creates an internal drive to work in a disciplined manner, both in terms of punctuality, productivity, and work quality (Muhamad et al., 2023).

High job loyalty is related to employee intrinsic motivation (Arista, 2023). Loyal employees usually have higher job satisfaction, so they are more motivated to work with discipline (Muhamad et al., 2023). They understand that disciplined behavior not only benefits the company, but also improves their reputation and career within the organization.

A work culture built from employee loyalty can create an environment conducive to discipline (Rizal et al., 2023). When the majority of employees show high loyalty, social norms in the organization will encourage other employees to conform to the set disciplinary standards (Arista, 2023).

The Influence of Organizational Commitment on Work Discipline

The results of the study show that organizational commitment has a positive and significant effect on the work discipline of PDAM Tirtasari Binjai employees. The results of this study are in line with the theory put forward by Fahmi (2021) which explains that there are many factors that affect employee work discipline, one of which is positive organizational



commitment. The results of this study are also in line with research conducted by Purnama & Zulfikar (2023) which gave results that organizational commitment has a positive and significant effect on employee work discipline.

Organizational commitment is the level of attachment of employees to the company's vision, mission, and values, which is reflected in their loyalty and dedication to work (Yousida et al., 2024). Employees who have a high commitment to the organization will show compliance with company rules and policies (Chandra et al., 2024). They understand that this compliance is part of their responsibility as part of a team that wants to achieve a common goal (Setiadi & Lutfi, 2021).

Organizational commitment also creates a greater sense of responsibility for work (Rejeki & Puspitaningrum, 2022). Employees who feel emotionally and professionally attached to PDAM Tirtasari Binjai will carry out their duties with full dedication. They tend to have the self-awareness to work with discipline, as they see work as part of their contribution to the sustainability of the company (Yousida et al., 2024).

Employees who have a high commitment to the organization will be more motivated to achieve optimal performance (Setiadi & Lutfi, 2021). They tend to maintain their professional reputation by showing positive work behavior, including discipline in carrying out duties and responsibilities (Rejeki & Puspitaningrum, 2022). In other words, organizational commitment fosters a proactive attitude in following work rules and procedures (Chandra et al., 2024).

A strong work culture is formed from high commitment among employees (Arsaktianca et al., 2024. When the majority of employees show a good commitment to the organization, the work environment becomes more conducive to discipline (Purnama & Zulfikar, 2023). Social norms in the organization will encourage other employees to adjust to the standards of discipline that have been set (Arsaktianca et al., 2024.

The Effect of Job Loyalty on Employee Performance

The results of the study showed that work loyalty had no significant effect on the performance of PDAM Tirtasari Binjai employees. The results of this study contradict the theory put forward by Kasmir (2018) who explained that there are many factors that affect employee performance, one of which is job loyalty. The results of this study also contradict the research conducted by Muhamad et al. (2023) which gave results that work loyalty has a positive and significant effect on employee work discipline.

Job loyalty is not always directly proportional to productivity. Employees who are loyal to the company may have a high emotional commitment, but this is not necessarily reflected in improved performance. Loyalty often takes the form of loyalty to the company, but it does not always have an impact on the efficiency, effectiveness, or quality of employees' work (Lisnawati & Alhidayatullah, 2023).

Job loyalty has more to do with the moral and sustainability aspects of the work relationship than with the output of performance directly. For example, loyal employees may stay with the company in the long run, but they don't always have high motivation to increase



productivity or deliver better results. Other factors, such as skills, work motivation, and work environment, play a greater role in improving employee performance.

Employee performance is influenced by various other factors that are more dominant than job loyalty. Factors such as competence, training, reward systems, workload, and leadership have a more significant role in determining employee performance. If these factors are not managed properly, then job loyalty is not enough to drive optimal performance improvement (Nugroho et al., 2024).

High loyalty in the absence of incentives or encouragement to perform can lead to stagnation in performance. Employees who are already comfortable with the company may not have the drive to continue to grow or increase their productivity, especially if there is no reward system that encourages higher performance achievement (Lisnawati & Alhidayatullah, 2023).

Although job loyalty is an important aspect of organizational sustainability, it does not always contribute directly to improving employee performance. Therefore, the results of the study that show the insignificance of the influence of work loyalty on the performance of PDAM Tirtasari Binjai employees can be accepted logically.

The Influence of Organizational Commitment on Employee Performance

The results of the study show that organizational commitment has no significant effect on the performance of PDAM Tirtasari Binjai employees. The results of this study contradict the theory put forward by Kasmir (2018) which explains that there are many factors that affect employee performance, one of which is organizational commitment. The results of this study also contradict the research conducted by Yousida et al. (2024) which gave results that organizational commitment has a positive and significant effect on employee performance.

Organizational commitment has more to do with the loyalty and sustainability aspects of the working relationship than with direct performance improvement. Employees who have a high level of commitment may remain loyal to the organization, but this loyalty is not always followed by increased productivity or quality of work. They may work stably but without the urge to significantly improve performance.

Employee performance is more influenced by other factors that are more directly related to productivity, such as skills, training, work motivation, leadership, reward system, and work environment. If these factors are not managed properly, then even though employees have a high commitment, they still cannot work optimally or improve their work results (Ariyanto et al., 2024).

High organizational commitment in the absence of external encouragement can lead to stagnation in performance. Employees who are already comfortable with their work may not feel the need to improve their performance, especially if there is no incentive system or performance evaluation that demands higher achievement (Ariyanto et al., 2024).

The work culture and management system that exists at PDAM Tirtasari Binjai has not fully supported the relationship between organizational commitment and performance improvement. Such as the lack of career development programs or performance-based



incentives that make employees who have high commitment continue to work according to minimum standards without any encouragement to achieve more.

Although organizational commitment is important to maintain workforce stability and reduce turnover rates, the results of the study show that it does not directly affect the performance of PDAM Tirtasari Binjai employees.

The Influence of Work Discipline on Employee Performance

The results of the study show that work discipline has a direct and significant effect on the performance of PDAM Tirtasari Binjai employees. The results of this study are in line with the theory put forward by Kasmir (2018) who explains that there are many factors that affect employee performance, one of which is work discipline. The results of this study are also in line with research conducted by Rahmawati & Vitaharsa (2024), Patimah et al., (2024), Peny (2023), and Hidayati (2023) proving that work discipline has a positive and significant effect on employee performance.

Employees who have high work discipline tend to be more compliant with company rules, operational procedures, and work standards that have been set (Susanti et al., 2023). By following the rules consistently, they can work more efficiently, avoid mistakes, and improve the quality of service provided to customers (Ichsan et al., 2020).

Work discipline helps employees manage time well, avoid delays, and maximize effectiveness in completing tasks (Rahmawati & Vitaharsa, 2024). Disciplined employees not only complete their work on time but also with better quality, which ultimately has an impact on increasing the company's overall productivity (Peny, 2023).

Employees who have a high level of discipline will show consistency in their work results (Patimah et al., 2024). They not only work well at any given moment but are also able to maintain optimal performance in the long term (Ichsan et al., 2020). This consistency is important in maintaining the company's operational stability and ensuring that the services provided to the community remain of high quality (Patimah et al., 2024).

Work discipline also reflects the employee's attitude of professionalism and responsibility towards his or her work (Ichsan et al., 2020). Disciplined employees have the awareness to complete their duties well without the need for strict supervision by their superiors (Patimah et al., 2024). They are more proactive in finding solutions to problems that arise, thereby creating a more productive work environment (Hidayati, 2023).

Good employee performance, supported by high work discipline, will have an impact on improving the company's reputation (Hidayati, 2023). In the public service industry such as PDAM Tirtasari Binjai, employee work discipline will contribute to better service to customers, thereby increasing customer satisfaction and public trust in the company (Ferine, 2024).

Work discipline has proven to be an important factor in improving the performance of PDAM Tirtasari Binjai employees. Employees who have high discipline are able to work more effectively, efficiently, and professionally, so that it has a direct impact on improving productivity and the quality of company services.



Licence

The Effect of Job Loyalty on Employee Performance through Work Discipline

The results of the study show that work loyalty indirectly through work discipline has a positive and significant effect on the performance of PDAM Tirtasari Binjai employees. The results of this study are in line with research conducted by Damayanti (2023) which gave results that work loyalty through work discipline is indirectly able to improve employee performance.

The results of the study show that work loyalty indirectly through work discipline has a positive and significant effect on the performance of PDAM Tirtasari Binjai employees. This means that job loyalty does not directly improve employee performance, but when combined with a high level of work discipline, the effect becomes significant on performance improvement.

Employees who have high loyalty to the company tend to have a greater sense of responsibility and commitment to work well (Damayanti, 2023). They feel bound to the organization's vision, mission, and goals, so they are more motivated to comply with applicable work regulations and procedures (Rusyana et al., 2023). Thus, high loyalty will form better work discipline, such as arriving on time, completing tasks according to deadlines, and working with dedication (Damayanti, 2023).

High work discipline will create a more structured and efficient work environment (Sugiana & Fadli, 2023). Disciplined employees will optimize time and resources in completing their tasks, which ultimately increases productivity and work effectiveness (Muna et al., 2023). In other words, job loyalty increases discipline, and high discipline will ultimately contribute to improving employee performance (Rusyana et al., 2023).

Job loyalty also reflects the emotional stability and long-term commitment of employees to the company (Muhamad et al., 2023). Loyal employees are less likely to be absent for no reason or to take actions that could harm the company. They are more motivated to continue to improve and improve their skills. However, loyalty alone is not enough to improve performance without high work discipline (Muhamad et al., 2023). Work discipline acts as a liaison that ensures that loyalty is truly embodied in concrete actions that improve performance (Fathonah, 2023).

With high loyalty, employees have intrinsic motivation to continue working in the company and contribute optimally (Rizal et al., 2023). However, this loyalty needs to be realized in the form of discipline in order to have a direct impact on performance (Fathonah, 2023). Loyal and disciplined employees will have a strong work ethic, work with focus, and be able to complete tasks well and on time. All of these factors will have an impact on increasing productivity, work quality, and cost effectiveness in the company (Ferine & Juniarti, 2022).

Work loyalty does not directly improve employee performance, but through improving work discipline, the impact becomes significant. Loyal employees tend to be more disciplined at work, and high work discipline contributes directly to improving employee performance (Rachmanda et al., 2024). Therefore, PDAM Tirtasari Binjai needs to continue to build employee loyalty by creating a conducive work environment, rewarding their performance,



and encouraging a culture of discipline in the organization so that the loyalty formed really has a positive impact on the company's performance (Rahayu et al., 2024).

The Influence of Organizational Commitment on Employee Performance through Work Discipline

The results of the study show that organizational commitment indirectly through work discipline has a positive and significant effect on the performance of PDAM Tirtasari Binjai employees. This means that although organizational commitment does not directly improve employee performance, through improving work discipline, the impact becomes more pronounced on employee performance.

The results of this study are in line with research conducted by Damayanti (2023) Setiadi & Lutfi (2021) which gave results that organizational commitment through work discipline is indirectly able to improve employee performance.

Organizational commitment refers to the extent to which employees have emotional attachment, engagement, and loyalty to the company. Employees who have high commitment will feel more responsible for their work. This commitment is reflected in compliance with the organization's rules and policies, which ultimately strengthens their work discipline.

Highly committed employees tend to have the motivation to show up on time, complete work according to deadlines, and follow established operational procedures. In other words, organizational commitment is a factor that shapes employee work discipline.

Work discipline is a key factor in increasing productivity and work effectiveness (Ateng, 2024). Disciplined employees will have consistency in carrying out their duties, reduce work errors, and improve operational efficiency (Sugiana & Fadli, 2023). With high work discipline, employees can work in a more structured and systematic manner, which ultimately has an impact on improving the quality and quantity of their performance.

Employee performance is greatly influenced by how they carry out their daily duties and responsibilities (Umar et al., 2024). With high organizational commitment, employees will have a better work ethic, but this needs to be followed by high work discipline to really have a positive impact on performance.

Disciplined employees will work more focused, reduce absenteeism, increase compliance with SOPs, and be more efficient in completing tasks (Ateng, 2024). All of these factors contribute to increasing productivity and quality of services provided by PDAM Tirtasari Binjai to the community.

Organizational commitment does not necessarily improve employee performance if it is not accompanied by good work discipline. However, if employees who have high commitment also show discipline at work, then the impact on performance improvement will be significant. Therefore, PDAM Tirtasari Binjai needs to continue to encourage employee commitment to the company and at the same time ensure that the culture of work discipline is maintained to achieve optimal performance.



Conclusion

This study shows that work loyalty and organizational commitment have a positive and significant effect on the work discipline of PDAM Tirtasari Binjai employees, but both do not have a significant direct influence on performance. Work discipline has been proven to have a positive and significant effect on employee performance. In addition, work loyalty and organizational commitment have a significant indirect influence on performance through the intermediary of work disciplines. The management of PDAM Tirtasari Binjai is advised to increase employee work loyalty through awards, work comfort, and career clarity. Organizational commitment needs to be strengthened by instilling company values, effective communication, and training. To improve performance, loyalty must be accompanied by training and work motivation. Performance-based evaluations and performance incentives can optimize commitment. Work discipline needs to be maintained through clear policies, regular supervision, and rewards. Discipline building and a structured work system also need to be implemented.

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