

## THE INFLUENCE OF PERCEPTION OF CORPORATE SOCIAL RESPONSIBILITY, ORGANIZATIONAL CITIZENSHIP BEHAVIOR AND WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE THROUGH TOTAL QUALITY MANAGEMENT AT PDAM TIRTA DHARMA LAMONGAN

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### Abstract

Employee performance significantly influences the success of public service organizations like PDAM Tirta Dharma Lamongan, tasked with providing sustainable clean water services. This study investigates how Perception of Corporate Social Responsibility (CSR), Organizational Citizenship Behavior (OCB), and Work Environment affect Employee Performance, with Total Quality Management (TQM) acting as a mediator. A quantitative analysis gathered data from employees using a Likert-scale questionnaire, analyzed via Structural Equation Modeling–Partial Least Squares (SEM-PLS). Results indicate that CSR, OCB, and Work Environment positively and significantly impact Employee Performance. OCB and Work Environment also positively influence TQM, while CSR does not significantly affect TQM. TQM is shown to positively affect Employee Performance. Mediation analysis reveals that TQM does not mediate the CSR–Employee Performance relationship but does mediate the OCB and Work Environment effects on Employee Performance. This indicates that proactive behavior and a supportive environment lead to greater performance improvements when aligned with an effective quality management system, underscoring TQM's strategic significance in public service contexts.

**Keywords:** Perception of Corporate Social Responsibility, Organizational Citizenship Behavior, Work Environment, Total Quality Management, Employee Performance

## INTRODUCTION

In an era of increasingly competitive and dynamic public services, regional companies such as Regional Drinking Water Companies (PDAM) are required not only to provide equal access to clean water, but also to improve operational efficiency, service quality, and customer satisfaction. This condition positions employees as strategic assets that play an important role in determining the overall success of the organization, particularly in maintaining the sustainability of public services. Employee performance is a primary indicator of success for public service organizations because it is directly related to service quality, work effectiveness, and public trust in public institutions.

However, based on observations and internal documentation at PDAM Tirta Dharma Lamongan, various problems related to employee performance have been identified. Relatively high absenteeism rates in several service units, low initiative in completing work proactively, and minimal voluntary participation in organizational activities such as innovation programs and work system improvement indicate serious challenges in human resource management. This phenomenon reflects a low level of Organizational Citizenship Behavior (OCB), namely extra-role work behavior that is greatly needed to build an adaptive, innovative, and efficient organization (Wijayanti et al., 2023). Although some studies show that OCB has a positive effect on employee performance, other studies have found negative or insignificant effects, creating a research gap that needs further investigation (Mardani, 2021).

On the other hand, employees' perceptions of the implementation of Corporate Social Responsibility (CSR) at PDAM Tirta Dharma Lamongan also show significant variation. Some employees consider that CSR programs are still symbolic in nature and have not fully impacted the internal welfare of employees. According to Mehralian et al. (2016), CSR refers to voluntary corporate activities that sustainably integrate economic, social, and environmental aspects into organizational operations. Tarigan et al. (2020) found that CSR positively influences employee performance, while Silva et al. (2023) found that CSR can have a negative impact when its implementation is inconsistent or misaligned with employees' values and needs. These divergent findings reinforce the urgency of further research in the context of public service organizations.

In addition to CSR and OCB, the work environment is also an important factor affecting employee performance. Several work units at PDAM Tirta Dharma Lamongan still face limited facilities, poor working comfort, and less harmonious working relationships between superiors and subordinates. Studies by Prakoso (2014), Sihaloho et al. (2020), and Gultom et al. (2021) show that the work environment has a positive effect on employee performance; however, Nurhandayani (2022) and Andriyani et al. (2020) found contrary results. These empirical discrepancies indicate the need for further testing that considers other variables acting as reinforcers of this relationship.

In facing this complexity, Total Quality Management (TQM) is considered a managerial approach capable of synergizing CSR, OCB, and work environment to improve employee performance sustainably. Mehralian et al. (2016) and Abbas (2020) found that CSR has a positive relationship with TQM, while Kao et al. (2018) found a negative effect of CSR on corporate performance, particularly in state-owned enterprises. Furthermore, while some studies indicate that TQM significantly affects employee performance (Surveyandini &

Achadi, 2021; Suwarno et al., 2020), others show insignificant results (Wahani et al., 2021). These inconsistencies indicate an empirical gap that needs to be examined more deeply.

Based on this description, it can be concluded that there is still a conceptual and empirical gap regarding the relationship between Corporate Social Responsibility, Organizational Citizenship Behavior, work environment, Total Quality Management, and employee performance, particularly in the context of public service organizations. Therefore, this study aims to examine the influence of perceptions of CSR, OCB, and work environment on employee performance with Total Quality Management as a mediating variable among employees of PDAM Tirta Dharma Lamongan. This research is expected to provide a theoretical contribution to the development of human resource management science, as well as practical recommendations for improving the performance of public service organizations.

## REVIEW OF LITERATURE

### Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a concept that emphasizes corporate responsibility for the economic, social, and environmental impacts of all its operational activities. He and Sutunyarak (2024) define Corporate Social Responsibility as a series of organizational activities and policies aimed at improving the welfare of stakeholders while maintaining a balance between economic, social, and environmental aspects. This definition affirms that CSR is not merely philanthropic activity, but an integral part of an organization's strategy in carrying out social responsibility sustainably.

El Akremi et al. (2018), referring to Aguinis (2011), define Corporate Social Responsibility as "contextual organizational activities and policies designed to improve the welfare of various stakeholder groups while considering the triple bottom line of economic, social, and environmental dimensions." This definition emphasizes that CSR consists of specific actions that take stakeholder expectations into account and are oriented toward achieving long-term sustainability.

Furthermore, Kao et al. (2018) describe Corporate Social Responsibility as various corporate social responsibility activities covering social, environmental, and economic aspects, undertaken to fulfill obligations to society while enhancing the company's image. CSR encompasses indicators such as social responsibility, community contribution, and the company's public reputation, realized through environmental protection, stakeholder relations, and social services. This definition shows that CSR is a strategic effort by companies to systematically integrate social and ecological values into business operations.

Perception of Corporate Social Responsibility (PCSR) is subjective in nature and is greatly influenced by individual experience, internal corporate communication, and employees' level of trust in the authenticity and consistency of CSR implementation. He and Sutunyarak (2024) explain that employees' perceptions can be positive or negative depending on transparency, tangible benefits, and the alignment between a company's CSR values and employees' personal values. If CSR is perceived merely as a formality or window dressing, employees' perceptions tend to be negative and have no significant impact on work behavior.

Positive perceptions of CSR have been shown to increase employee motivation and job satisfaction. He and Sutunyarak (2024) state that employees who hold positive perceptions of CSR tend to experience organizational pride and a stronger sense of

identification with the organization. This condition drives an increase in employees' emotional engagement and moral commitment to the company. In addition, positive perceptions of CSR also encourage employees to be more active, creative, and innovative in carrying out their tasks, because they feel that the organization has social values and objectives aligned with their personal values.

According to He and Sutunyarak (2024), PCSR plays an important role in strengthening the emotional and moral bond between employees and the company. This impact is reflected in increased organizational commitment, both affectively and normatively, increased innovative behavior among employees, and the formation of a stronger identity and loyalty toward the organization. Employees who feel that the company cares about social and environmental aspects tend to have a sense of pride and high loyalty, which ultimately supports organizational sustainability.

Meanwhile, Kao et al. (2018) argue that the impact of CSR on organizations is complex and dynamic. On the positive side, CSR can enhance the company's reputation, strengthen relationships with stakeholders, and support long-term organizational sustainability. However, in the early stages of implementation, CSR often incurs significant costs and resource expenditures that can create negative pressure on short-term corporate performance. Furthermore, opportunistic or window-dressing CSR practices risk worsening organizational conditions if not accompanied by improvements in operational quality.

Kao et al. (2018) further emphasize that the relationship between CSR and organizational performance is cyclical. Negative impacts tend to emerge in the early stages due to large investments, but in the long run, benefits such as enhanced reputation and harmonious relationships with stakeholders will have a positive effect on performance. Additionally, ownership factors influence CSR implementation, where private companies tend to use CSR as a performance-improvement strategy, while state-owned enterprises are more influenced by government policies and interventions.

Perception of Corporate Social Responsibility plays a strategic role in shaping employee motivation and behavior, both psychologically and practically. Therefore, companies are required to manage CSR in a transparent, ethical, and consistent manner to maintain positive employee perceptions. Positive perceptions of CSR not only increase employee commitment and loyalty, but also support the creation of a dynamic, innovative, and productive work environment, thereby contributing to the sustained improvement of employee performance.

### **Organizational Citizenship Behavior**

Organizational Citizenship Behavior (OCB) is an important concept in the study of organizational behavior that emphasizes employees' voluntary work behavior that exceeds the formal demands of their job. Almasradi et al. (2024) define Organizational Citizenship Behavior as the study of how individuals and groups interact in an organizational context, which encompasses the analysis, understanding, and control of employee behavior when interacting with the work environment. In their study, Almasradi et al. (2024) emphasize that understanding OCB is key to improving organizational effectiveness and employee welfare, because such behavior is influenced by organizational culture, motivation, and leadership, ultimately impacting employee performance.

Delich (2015) defines Organizational Citizenship Behavior as a multidisciplinary field that aims to understand individual behavior in organizational contexts through a

systematic study of individual, group, and organizational processes. This definition affirms that OCB cannot be understood in isolation, but must be seen as the result of complex interactions between personal and structural factors within the organization. Similarly, Greenberg (2011) states that OCB focuses on individual behavior and group dynamics in organizations, with emphasis on psychosocial, interpersonal, and behavioral aspects that emerge in formal work settings.

Meanwhile, Youn and Kim (2022) define Organizational Citizenship Behavior as employee behavior that goes beyond formally assigned duties and makes a real contribution to organizational success. In this context, OCB reflects employees' willingness to perform voluntary actions not listed in their job descriptions, yet crucial in supporting overall organizational effectiveness and performance.

Various studies show that Organizational Citizenship Behavior is influenced by a range of internal and external organizational factors. Almasradi et al. (2024) suggest that the main factors influencing OCB include organizational culture, motivation, leadership, organizational structure, work environment, communication, experience and education, external factors, employee perceptions and attitudes, and the presence of bias and discrimination in the organization. A positive and supportive organizational culture can increase motivation and encourage employees to demonstrate productive extra-role behavior. In addition, reward systems, recognition, and career development opportunities also play an important role in fostering OCB.

A leadership style that supports and empowers employees also contributes to increasing job satisfaction and employee performance. A clear and efficient organizational structure facilitates communication and collaboration among employees, thereby encouraging cooperative work behavior. In addition, a safe, comfortable, and harmonious work environment has a significant effect on employee behavior and productivity. The quality of communication, both formal and informal, also influences how information is understood and implemented in day-to-day work behavior.

Delich (2015) groups the factors influencing Organizational Citizenship Behavior into several categories: individual, social, environmental, external, and psychological factors. Individual factors include personality, work experience, and motivation, which shape how employees interact and behave in the workplace. Social factors include organizational culture, interpersonal relationships, and group dynamics, which affect job satisfaction and team collaboration. Environmental factors include physical working conditions, organizational policies, and the use of technology, which can affect productivity and work behavior. External factors such as economic conditions and market competition also affect organizational stability and employee behavior. Psychological factors, including perceptions and emotions, also play an important role in shaping social interactions and individual performance within the organization.

Based on this review, it can be concluded that Organizational Citizenship Behavior is a strategic behavior influenced by a combination of individual, organizational, and work environment factors. A comprehensive understanding of these factors provides an important foundation for organizations in designing human resource management policies and practices capable of fostering sustained extra-role behavior among employees.

## **Work Environment**

The work environment is one of the important factors in an organization that is directly related to employees' daily work activities. A comfortable and conducive work environment can provide a sense of security and comfort for employees, thereby having the potential to improve employee performance. Employees who feel comfortable with the work environment where they work tend to have a more positive emotional attitude, lower stress levels, and higher loyalty to the organization. These conditions ultimately promote increased productivity and the effective and efficient use of working time.

Siagian (2014:56) defines the work environment as the environment in which employees carry out their daily work. This definition emphasizes that the work environment encompasses all conditions surrounding employees during the performance of their duties and potentially affecting work performance. Furthermore, Soetjipto (2008:87) states that the work environment refers to everything or elements that can affect an organization or company, either directly or indirectly, having positive or negative impacts on employee performance and job satisfaction. A comfortable work environment not only improves performance but also makes employees feel at ease and loyal to the company, thereby benefiting the organization through efficiency in human resource costs.

Sedarmayanti (2013:23) explains that the work environment is a place that contains a number of work groups supported by various supporting facilities to achieve company goals in accordance with the organization's vision and mission. This definition shows that the work environment is not only related to physical conditions, but also encompasses systems and facilities that support the overall work process. In every business activity, organizations need to design the layout and conditions of the work environment optimally to support the work effectiveness of employees. According to Siagian (2014:57), the work environment is broadly divided into two types: the physical work environment and the non-physical work environment.

The physical work environment refers to all physical conditions that exist around the workplace and can affect employees in carrying out their work. Good physical conditions include, among others, workplace buildings designed with occupational safety in mind, availability of adequate work equipment, rest facilities such as easily accessible cafeterias, places of worship for employees, and convenient, affordable, and easily accessible transportation. Adequate physical environments support working comfort and reduce employee fatigue, thereby having a positive impact on productivity and employee performance.

Meanwhile, the non-physical work environment relates to the psychological and social conditions in the workplace. A good non-physical work environment is characterized by harmonious working relationships between employees and supervisors, open communication, and a mutually respectful work atmosphere. In essence, employees do not only work for financial rewards but also to attain job satisfaction. Therefore, a conducive non-physical work environment plays an important role in shaping positive attitudes, increasing motivation, and encouraging employees to make their best contribution to the organization.

## **Total Quality Management**

Total Quality Management (TQM) is a management approach that aims to maximize an organization's competitiveness through continuous improvement of products, services,

human resources, processes, and organizational environment (Tjiptono & Diana, 2003). This concept emphasizes that quality is not only the responsibility of a specific department, but is a commitment of all organizational members. One of the fundamental elements of TQM is continuous improvement, known as *kaizen*, a Japanese management philosophy that emphasizes ongoing renewal of work processes and the quality of human resources (Tjiptono, 2000). The successful implementation of TQM is highly dependent on the active involvement of employees, as the human element is a key factor in improving organizational quality and productivity. In line with this, Abbas (2019) states that Total Quality Management is a management approach focused on comprehensive quality improvement across all organizational processes, encompassing leadership, strategic planning, process management, information analysis, customer focus, and human resource management to achieve sustainable and environmentally aware organizational performance.

Total Quality Management is a management concept that focuses on customer satisfaction through the provision of superior products, optimal services, and the organization's ability to adapt quickly to changing customer needs. This concept demands the full commitment of all organizational members to quality improvement in every aspect of company management, thus requiring fundamental changes in organizational culture and the value systems adopted. According to Tjiptono and Diana (2003), there are four main principles in the implementation of Total Quality Management: customer satisfaction, respect for every individual, fact-based management, and continuous improvement. The principle of customer satisfaction affirms that quality is determined by customers, both internal and external, so that all company activities must be directed toward delivering maximum value. The principle of respect for every person views employees as valuable organizational assets with creativity that must be involved in the decision-making process. The principle of fact-based management emphasizes the importance of data-driven decision making, rather than relying solely on intuition. Meanwhile, the principle of continuous improvement is realized through the application of the PDCA (plan–do–check–act) cycle, which encompasses planning, implementation, evaluation, and systematic corrective action to continuously improve organizational performance.

### **Employee Performance**

Employee performance refers to the work results achieved by employees in accordance with the goals, standards, and expectations set by the organization. Armstrong (2023) defines employee performance as employees' work output aligned with organizational goals, and emphasizes the importance of performance management encompassing the setting of clear objectives and systematic performance measurement. Similarly, Anitha (2014) states that employee performance is the result or achievement obtained by employees in carrying out their work, reflecting the extent to which employees are able to meet targets, follow work plans, and produce the performance expected by the organization. Performance is not only measured from a quantitative perspective, but also encompasses non-financial aspects such as work behavior, contribution to a positive work environment, and attitudes that support overall organizational success. Sadikoglu and Zehir (2010) view employee performance as a multidimensional concept encompassing job satisfaction, absenteeism, tardiness, commitment, motivation, and the effort demonstrated by employees in their work. They also affirm that employee performance is closely related to individuals' perceptions of the suitability of needs in the workplace, reflected through job satisfaction, commitment to the

job, and pride in work achieved. Meanwhile, Mangkunegara (2017) defines employee performance as the work results achieved by employees in carrying out their duties and responsibilities, while Wirawan (2009) states that employee performance is the result of a synergy of various internal and external factors that interact within an organizational context.

The achievement of employee performance is influenced by various factors originating from within employees themselves as well as from the organizational and external environment. Wirawan (2009) categorizes the factors affecting performance into three main categories. First, internal employee factors, namely factors inherent to the individual, both innate such as talent, personality, and physical and psychological conditions and factors acquired through learning and experience, such as knowledge, skills, work ethic, work experience, and motivation. Second, internal organizational environment factors, namely the support provided by the organization in which employees work, including the organization's vision, mission, and goals, management policies and systems, technology, organizational strategy, compensation, leadership, organizational culture, and relationships with co-workers. These factors play an important role in creating work conditions conducive to performance improvement. Third, external organizational environment factors, namely conditions outside the organization that can affect employee performance, such as economic, political, social, cultural, and religious situations, as well as the level of competition (competitors). To assess the extent of employee performance in carrying out duties and responsibilities, a systematic performance appraisal process is required. Performance appraisal aims to evaluate employees' levels of achievement against established work targets, while also serving as a basis for formulating future performance improvement efforts. In addition, Sadikoglu and Zehir (2010) argue that employee performance factors include job satisfaction, employee engagement, motivation, productivity, quality of work, and contribution to organizational innovation. In a broader context, employee performance also acts as a mediator that reinforces the relationship between the application of Total Quality Management and the improvement of overall organizational performance, where optimal employee performance can drive efficiency, effectiveness, and sustained organizational competitiveness..

## RESEARCH METHOD

This study employs a quantitative approach with a causal associative research design that aims to analyze the causal relationships between Perception of Corporate Social Responsibility, Organizational Citizenship Behavior, and Work Environment on Employee Performance, with Total Quality Management as a mediating variable. The quantitative approach was chosen because this study tests hypotheses formulated on the basis of theory and analyzed using statistical techniques (Sugiyono, 2018). This research design is expected to provide an empirical picture of strategies for improving employee performance through strengthening organizational behavior and implementing a sustainable quality management system.

The research was conducted from March to June 2025. Questionnaire data collection began on March 20, 2025, while interviews and observations were conducted in April 2025. The research site is PDAM Tirta Dharma Lamongan, located at Jl. Lamonganrejo No. 96,

Sidokumpul, Lamongan. The study involved employees from various work units and job levels, thus expected to comprehensively represent the organizational conditions.

The research population consists of all active employees of PDAM Tirta Dharma Lamongan, totaling 167 people distributed across 29 work divisions. According to Sugiyono (2019), a population is a generalization domain consisting of objects or subjects with certain characteristics defined by the researcher to be studied and from which conclusions are drawn. Given that the population is relatively small and can be studied in its entirety, this study employs total sampling or saturated sampling, whereby all members of the population are used as research samples (Sugiyono, 2017; Nazir, 2014). Accordingly, the sample size in this study is 167 respondents.

This study involves five variables: Perception of Corporate Social Responsibility, Organizational Citizenship Behavior, Work Environment, Total Quality Management, and Employee Performance. Perception of Corporate Social Responsibility is measured based on six dimensions: responsibility toward employees, customers, the environment, shareholders, communities, and suppliers (Aguinis, 2011; El Akremi et al., 2018). Organizational Citizenship Behavior is measured through indicators of organizational culture, motivation, leadership, organizational structure, work environment, communication, experience and education, external factors, perceptions and attitudes, and bias and discrimination (Almasradi et al., 2024). Work Environment consists of the physical work environment and non-physical work environment dimensions (Siagian, 2014). The mediating variable, Total Quality Management, is measured based on the six MBNQA model dimensions: leadership, strategic planning, customer focus, process management, human resource management, and information analysis and decision making (Abbas, 2019). The dependent variable, Employee Performance, is measured through job satisfaction, employee engagement, motivation, productivity, quality of work, contribution to innovation, and its impact on the organization (Sadikoglu & Zehir, 2010).

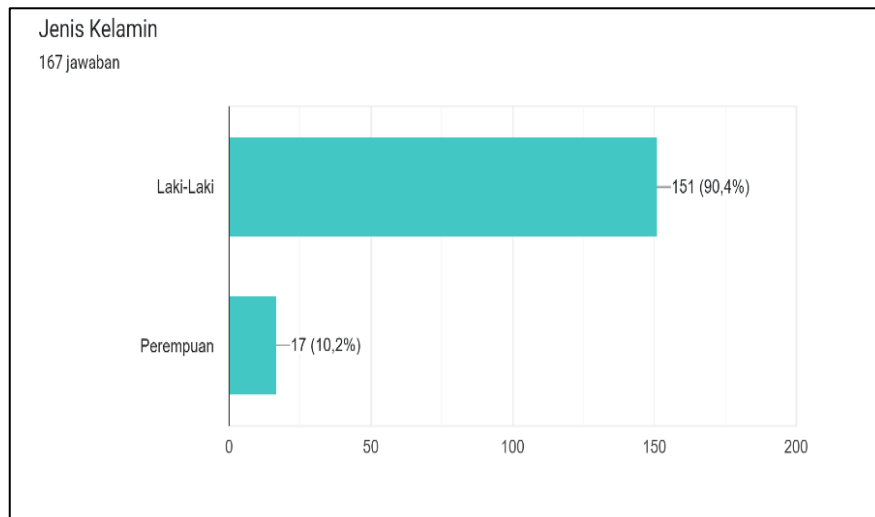
Research data were collected through questionnaires as the primary instrument, prepared using a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). In addition to questionnaires, direct interviews and observations were conducted to obtain contextual understanding of the organizational culture and implementation of Total Quality Management. The data used consist of primary and secondary data, where secondary data were obtained from internal company documents and relevant scientific literature. Validity testing was conducted using Pearson Product Moment correlation with the criterion that the calculated  $r$  value  $>$  the table  $r$  value at a significance level of 0.05 (Sugiyono, 2019). Reliability testing was conducted using Cronbach's Alpha coefficient, with a criterion value  $>$  0.60 indicating that the research instrument is reliable (Ghozali, 2018).

Data analysis was performed through descriptive analysis to describe the characteristics of respondents and research variables, as well as inferential analysis using Structural Equation Modeling (SEM) with the aid of AMOS software. The SEM technique was chosen because it is capable of analyzing complex causal relationships, including testing mediation effects simultaneously (Wijayanto, 2008). Model testing was carried out through goodness of fit evaluation, SEM assumption testing, and hypothesis testing with a  $t$ -statistic criterion value  $>$  1.96 at a 5% significance level.

## RESULTS AND DISCUSSION

This study involved 167 respondents who are employees of PDAM Tirta Dharma Lamongan, distributed across various work divisions ranging from administration, finance, engineering, customer service, to regional service units. Respondent data were collected through an online questionnaire using Google Form, completed voluntarily by all participants. The presentation of respondent descriptions aims to provide a general overview of the demographic characteristics of respondents as a basis for interpreting subsequent analysis results.

Based on the data processing results, the majority of respondents are male, totaling 151 people (90.4%), while female respondents number 17 people (10.2%). This composition shows that the workforce structure of PDAM Tirta Dharma Lamongan is still dominated by male employees, particularly in technical and field operational areas that require physical activity and high mobility.

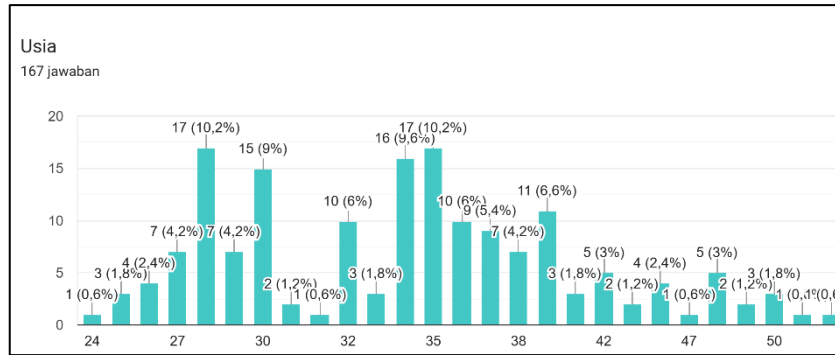


**Figure 1.**

### **Respondent Characteristics by Gender**

The research results show that respondents range in age from 24 to 52 years. The age distribution shows that the 31–40 year age group is the most dominant, at around 80 respondents (47.9%), followed by the 21–30 year age group with 45 respondents (26.9%). The 41–50 year age group numbers 35 respondents (21%), and respondents aged over 50 number 7 people (4.2%).

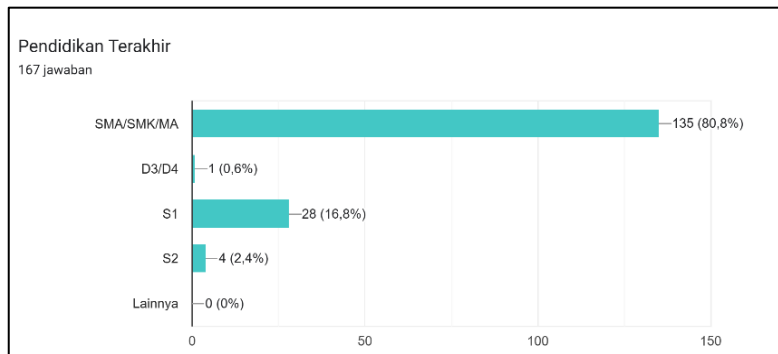
This age composition shows that the majority of PDAM Tirta Dharma Lamongan employees are in their productive years. This condition reflects the organization's strong potential to carry out operational activities effectively and sustainably. Younger employees are generally more adaptive to changes in technology and new work systems, while more senior employees contribute through experience and work stability. This combination constitutes important capital for supporting the implementation of Total Quality Management (TQM) and comprehensive improvement of employee performance.



**Figure 2.**  
**Respondent Characteristics by Age**

Based on the level of final education, the majority of respondents have a high school/vocational high school/Islamic high school (SMA/SMK/MA) educational background, totaling 135 people (80.8%). Respondents with a Bachelor's degree (S1) number 28 people (16.8%), a Master's degree (S2) 4 people (2.4%), and a Diploma (D3/D4) 1 person (0.6%).

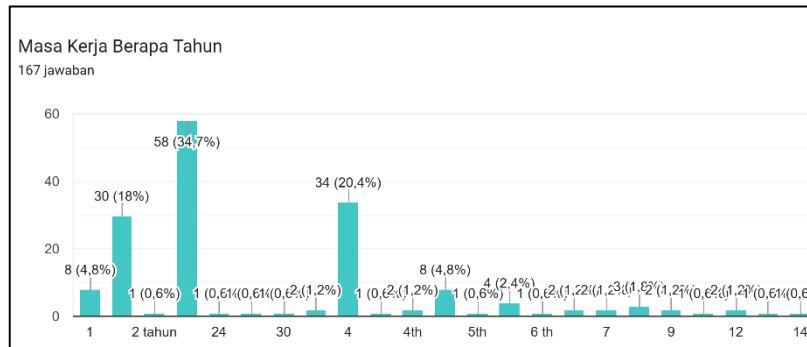
This distribution shows that the workforce of PDAM Tirta Dharma Lamongan is dominated by senior secondary school graduates who play an important role in carrying out operational and technical activities in the field. Meanwhile, employees with S1 and S2 degrees generally occupy administrative and managerial positions related to planning, supervision, and decision making. This diversity of educational levels reflects a balanced human resource structure between technical and professional staff, thereby supporting the successful implementation of Total Quality Management and the sustainable improvement of employee performance.



**Figure 3.**  
**Respondent Characteristics by Final Educational Level**

The analysis results show that respondents' length of service varies from 1 to 14 years. The group with 2 years of service is the most dominant, at 58 respondents (34.7%), followed by 4 years of service with 34 respondents (20.4%) and 3 years of service with 30 respondents (18%). A small proportion of respondents have more than 5 years of service, with a proportion below 5%.

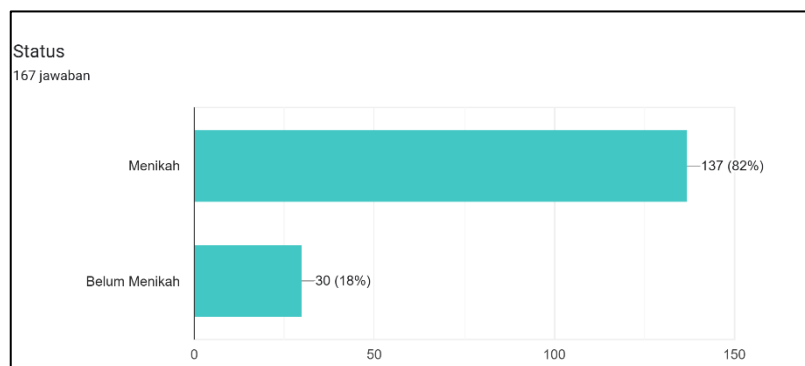
This composition indicates that PDAM Tirta Dharma Lamongan is currently in a phase of workforce regeneration, dominated by relatively new employees. This condition brings positive opportunities in the form of fresh work enthusiasm and openness to innovation, but at the same time demands continuous guidance and training. The role of senior employees is important in transferring knowledge and experience, so that the balance between productivity and quality of work is maintained within the Total Quality Management framework.



**Figure 4.**  
**Respondent Characteristics by Length of Service**

Based on marital status, the majority of respondents are married, totaling 137 people (82%), while unmarried respondents number 30 people (18%). This composition shows that the majority of employees are in a relatively stable phase of life, both socially and emotionally.

Married employees generally have a higher level of responsibility and maturity, potentially promoting discipline and work commitment. Meanwhile, unmarried employees tend to have greater flexibility, energy, and openness to change. The combination of these two groups creates a balanced organizational dynamic that strongly supports the implementation of Total Quality Management and the improvement of employee performance at PDAM Tirta Dharma Lamongan.



**Figure 5.**  
**Respondent Characteristics by Marital Status**

The distribution of respondents by position or work division shows that employees are spread across 29 divisions/work units. This distribution reflects the complex organizational structure of PDAM Tirta Dharma Lamongan, covering administrative, technical, and public service functions.

**Table 1.**  
**Work Divisions at PDAM Tirta Dharma Lamongan**

No	Division Name	Total
1	Acting Director	1
2	Head of Finance Administration	1
3	Sub-division of General Affairs and Personnel	7
4	Sub-division of Procurement	3
5	Sub-division of Warehouse	2
6	Sub-division of Accounting	3
7	Sub-division of Cash and Collections	8
8	Head of Customer Relations	1
9	Meter Reading	12
10	Sub-division of Services	3
11	Head of Technical Division	1
12	Sub-division of Production IPA Babat	24
13	Sub-division of Production IPA Plosowahyu	9
14	Water Tank Sukodadi	4
15	Sub-division of Distribution	9
16	Sub-division of Planning	3
17	Sub-division of Technical Equipment	1
18	Made Service Unit	10
19	Deket Service Unit	5
20	Turi Service Unit	6
21	Sukodadi Service Unit	6
22	Sekaran Service Unit	5
23	Pucuk Service Unit	6
24	Brondong Service Unit	7
25	Babat Service Unit	6
26	Sugio Service Unit	8
27	Mantup Service Unit	7
28	Tikung Service Unit	7
29	Kembangbahu Offtake	2
Total		167

### Inferential Statistical Analysis

Inferential statistical analysis in this study was conducted using the Structural Equation Model (SEM) approach with the Partial Least Square (PLS) method, supported by SmartPLS version 3.0 software. The SEM-PLS approach was chosen because it can analyze complex structural relationships and is suitable for research models with latent variables and

a relatively moderate sample size. This study involves five variables: Perception of Corporate Social Responsibility (PCSR), Organizational Citizenship Behavior (OCB), Work Environment, Total Quality Management (TQM), and Employee Performance. The results of the inferential statistical analysis of these five variables are presented below.

**Convergent Validity**

The convergent validity test aims to measure the validity of indicators in reflecting the latent construct they represent. Testing is performed by examining the outer loading value of each indicator. An indicator is declared valid if it has an outer loading value  $\geq 0.50$ , particularly in studies with a not overly large number of indicators per construct.

**Table 2.**

Variable	Loading Factor		Notes
	Statement Item	Outer Loading	
PCSR	X1.1	0.681	Valid
	X1.2	0.580	Valid
	X1.3	0.534	Valid
	X1.4	0.519	Valid
	X1.5	0.518	Valid
OCB	X2.1	0.726	Valid
	X2.2	0.641	Valid
	X2.3	0.571	Valid
	X2.4	0.561	Valid
	X2.5	0.670	Valid
	X2.6	0.635	Valid
	X2.7	0.686	Valid
	X2.8	0.646	Valid
	X2.9	0.579	Valid
	X2.10	0.537	Valid
Work Environment	X3.1	0.703	Valid
	X3.2	0.663	Valid
	X3.3	0.598	Valid
	X3.4	0.659	Valid
	X3.5	0.661	Valid
	X3.6	0.631	Valid
	X3.7	0.591	Valid
TQM (M)	M.1	0.740	Valid
	M.2	0.661	Valid
	M.3	0.605	Valid
	M.4	0.618	Valid
	M.5	0.582	Valid
	M.6	0.634	Valid
Employee Performance	Y.1	0.703	Valid
	Y.2	0.678	Valid
	Y.3	0.641	Valid
	Y.4	0.621	Valid

Variable	Statement Item	Outer Loading	Notes
	Y.5	0.633	Valid
	Y.6	0.651	Valid
	Y.7	0.635	Valid
	Y.8	0.661	Valid

Source: SmartPLS 3.0

Based on Table 2, all indicators have outer loading values above 0.50. It can therefore be concluded that all indicators for PCSR, OCB, Work Environment, TQM, and Employee Performance meet the convergent validity criteria and are declared valid. These results are also reinforced through the display of the measurement model, which shows that all indicators have adequate contributions to the construct being measured.

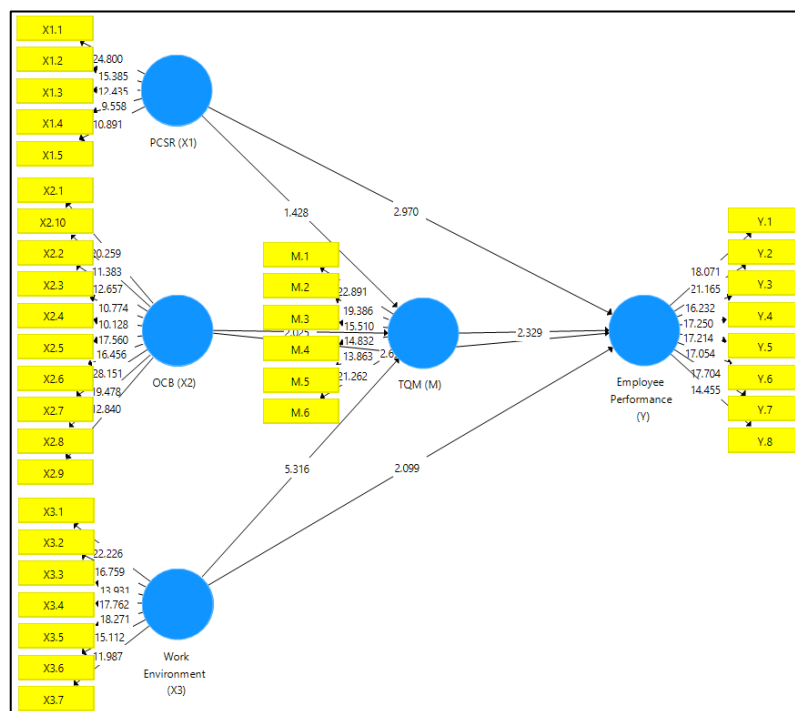


Figure 6. Measurement Model

**Discriminant Validity**

The discriminant validity test aims to ensure that a construct is truly distinct from other constructs, both conceptually and empirically. Testing is carried out using the Average Variance Extracted (AVE) value and the square root of AVE ( $\sqrt{AVE}$ ). A construct is deemed to satisfy discriminant validity if the  $\sqrt{AVE}$  value is greater than the correlation values with other constructs.

**Table 3.**  
**Discriminant Validity Results**

Variable	AVE	Employee Performance (Y)	OCB (X2)	PCSR (X1)	TQM (M)	Work Environment (X3)
Employee Performance (Y)	0.52	0.721				
OCB (X2)	0.456	0.782	0.675			
PCSR (X1)	0.465	0.722	0.766	0.682		
TQM (M)	0.537	0.749	0.754	0.666	0.733	
Work Environment (X3)	0.494	0.772	0.826	0.709	0.792	0.703

Source: SmartPLS 3.0 Note: Diagonal values (bold) are  $\sqrt{AVE}$

Based on Table 3, the square root of the AVE of each construct is greater than the correlation values with other constructs. This shows that each latent variable has good discriminant ability. It can therefore be concluded that the measurement model meets the discriminant validity criteria and is suitable for further analysis.

**Reliability Test**

The reliability test is conducted to measure the internal consistency of indicators in forming latent constructs. Reliability testing is performed by examining composite reliability and Cronbach's alpha values. A construct is declared reliable if it has values above 0.70.

**Table 4.**  
**Reliability Test Results**

Variable	Cronbach's Alpha	Composite Reliability	Notes
Employee Performance (Y)	0.867	0.896	Reliable
OCB (X2)	0.865	0.892	Reliable
PCSR (X1)	0.711	0.812	Reliable
TQM (M)	0.827	0.874	Reliable
Work Environment (X3)	0.828	0.872	Reliable

Source: SmartPLS 3.0

The results in Table 4 show that all variables have Cronbach's alpha and composite reliability values above 0.70. It can therefore be concluded that all constructs in this study have a high and consistent level of reliability.

**R-Square Analysis**

The R-square ( $R^2$ ) value is used to assess the ability of the independent variables to explain the variation in the dependent variable. The larger the  $R^2$  value, the stronger the explanatory power of the research model.

**Table 5.**  
**R-Square Measurement Results**

Variable	R-Square	R-Square Adjusted
PCSR (X1)	–	–
OCB (X2)	–	–
Work Environment (X3)	–	–
Employee Performance (Y)	0.703	0.696
TQM (M)	0.664	0.658

Source: SmartPLS 3.0

Based on Table 5, the R<sup>2</sup> value for the Employee Performance variable of 0.703 indicates that 70.3% of the variation in employee performance can be explained by the variables PCSR, OCB, TQM, and Work Environment, while the remaining 29.7% is explained by other factors outside the research model. Meanwhile, the TQM variable as a mediating variable has an R<sup>2</sup> value of 0.664, meaning that 66.4% of the variation in TQM can be explained by PCSR, OCB, and Work Environment. Referring to the criteria of Hair et al. (2019), an R<sup>2</sup> value of 0.67 is categorized as strong, 0.33 as moderate, and 0.19 as weak. Thus, this research model has strong explanatory power and is capable of substantially explaining the relationships between variables.

**Q-Square Analysis (Predictive Relevance)**

Q-square (Q<sup>2</sup>) analysis is used to assess the predictive relevance of the structural model, that is, the extent to which the model can accurately predict endogenous variables. The Q<sup>2</sup> value is obtained through a blindfolding procedure in SmartPLS 3.0. A model is considered to have good predictive capability if Q<sup>2</sup> > 0.

**Table 6.**  
**Q-Square Analysis Results**

Variable	SSO	SSE	Q <sup>2</sup> (= 1 – SSE/SSO)
Employee Performance (Y)	1,336.000	862.970	0.354
OCB (X2)	1,670.000	1,670.000	–
PCSR (X1)	835.000	835.000	–
TQM (M)	1,002.000	657.412	0.344
Work Environment (X3)	1,169.000	1,169.000	–

Source: SmartPLS 3.0

The test results show that the Q<sup>2</sup> value for the Employee Performance variable is 0.354 and for the TQM variable is 0.344. Q<sup>2</sup> values greater than zero indicate that the model has good predictive capability. Referring to the criteria of Chin (1998), the interpretation of Q<sup>2</sup> values is presented in Table 7 below.

**Table 7.**  
**Q-Square Value Interpretation Criteria**

Q <sup>2</sup> Value	Predictive Relevance Category
0.02 ≤ Q <sup>2</sup> < 0.15	Low
0.15 ≤ Q <sup>2</sup> < 0.35	Moderate
Q <sup>2</sup> ≥ 0.35	High

Source: Author, 2025

Based on these criteria, the Q<sup>2</sup> value for Employee Performance (0.354) falls into the high category, while the Q<sup>2</sup> value for TQM (0.344) is in the moderate-to-high category. Thus, this research model has strong and empirically relevant predictive capability.

**Collinearity Statistics**

The collinearity statistics test is conducted to detect multicollinearity among constructs in the structural model. High multicollinearity can disrupt the stability of path coefficient estimates. This test uses the Variance Inflation Factor (VIF) value.

**Table 8.**  
**Collinearity Statistics Results (VIF)**

Variable	EP (Y)	OCB (X2)	PCSR (X1)	TQM (M)	WE (X3)
OCB (X2)	4.133			3.953	
PCSR (X1)	2.575			2.531	
TQM (M)	2.975				
Work Environment (X3)	4.040			3.286	

Source: SmartPLS 3.0

Subsequently, a summary of the VIF test results between independent and dependent variables is presented in Table 9.

**Table 9.**  
**Collinearity Statistics Test Results (VIF)**

Independent Variable	Dependent Variable	VIF
PCSR (X1)	TQM (M)	2.314
OCB (X2)	TQM (M)	2.876
Work Environment (X3)	TQM (M)	3.012
PCSR (X1)	Employee Performance (Y)	2.537
OCB (X2)	Employee Performance (Y)	3.204
Work Environment (X3)	Employee Performance (Y)	2.865
TQM (M)	Employee Performance (Y)	2.941

Source: SmartPLS 3.0

Based on these results, all VIF values are below 5.0 as recommended by Hair et al. (2019). It can therefore be concluded that the structural model is free from multicollinearity problems.

**Goodness of Fit (GoF)**

Overall model fit evaluation was conducted using the Goodness of Fit (GoF) index. The GoF value is calculated from the square root of the product of the average communality (AVE) and the average R<sup>2</sup> value.

**Table 10.**  
**Goodness of Fit (GoF) Index**

Variable	Communality (AVE)	R <sup>2</sup>
Employee Performance (Y)	0.520	0.703
OCB (X2)	0.456	–
PCSR (X1)	0.465	–
TQM (M)	0.537	0.664
Work Environment (X3)	0.494	–

Total	2.472	1.367
Average	0.494	0.684
GoF Index		0.506

Source: Author, 2025

A GoF value of 0.506 ( $> 0.33$ ) indicates that this research model has a good fit and strong predictive power.

**Resampling Bootstrapping**

Testing of causal relationships between variables was carried out using the bootstrapping method in SmartPLS to obtain path coefficient values, t-statistics, and p-values.

**Table 11.**  
**Path Coefficient Testing Results**

Relationship Between Variables	Original Sample	t-statistics	p-values	Notes
PCSR → EP	0.206	2.970	0.003	H <sub>1</sub> accepted
OCB → EP	0.259	2.698	0.007	H <sub>2</sub> accepted
WE → EP	0.220	2.099	0.036	H <sub>3</sub> accepted
PCSR → TQM	0.120	1.428	0.154	H <sub>4</sub> rejected
OCB → TQM	0.246	2.025	0.043	H <sub>5</sub> accepted
WE → TQM	0.503	5.316	0.000	H <sub>6</sub> accepted
TQM → EP	0.243	2.329	0.020	H <sub>7</sub> accepted

Source: SmartPLS 3.0

These results show that most direct relationships between variables have a positive and significant effect, with the exception of the relationship between PCSR and TQM.

**Table 11.**  
**Indirect Effect Testing Results**

Indirect Relationship	Original Sample	t-statistics	p-values	Notes
PCSR → TQM → EP	0.029	1.215	0.225	H <sub>8</sub> rejected
OCB → TQM → EP	0.060	2.047	0.041	H <sub>9</sub> accepted
WE → TQM → EP	0.122	3.865	0.000	H <sub>10</sub> accepted

Source: SmartPLS 3.0

These results indicate that TQM does not mediate the relationship between PCSR and Employee Performance, but significantly mediates the relationships between OCB and Work Environment and Employee Performance. Thus, TQM plays a strategic role as a mechanism for improving employee performance through organizational citizenship behavior and a conducive work environment.

**Discussion**

The research results show that Perception of Corporate Social Responsibility (PCSR) has a positive and significant effect on Employee Performance, confirming that employees' perceptions of the company's social commitment can drive performance improvement. This finding is consistent with Social Exchange Theory, which explains that organizational attention through CSR is reciprocated by employees through motivation, loyalty, and positive work behavior (El Akremi et al., 2018). This result also aligns with the research of

Mehralian et al. (2016) and Tarigan et al. (2020), who state that authentically perceived CSR improves employee performance. Thus, CSR functions as an internal psychological mechanism that strengthens individual performance, as long as it is carried out consistently and not merely symbolically.

This study proves that Organizational Citizenship Behavior (OCB) and Work Environment have a positive and significant effect on Employee Performance. OCB, as extra-role behavior, supports organizational effectiveness through cooperation, concern, and willingness to help beyond formal duties (Organ, 1988; Youn & Kim, 2022). Meanwhile, a conducive work environment physical, social, and psychological enhances employees' focus, comfort, and productivity (Sundstrom, 1986; Susanty & Miradipta, 2013). These findings affirm that employee performance is determined not only by individual competencies but also by the quality of collective behavior and a supportive work context.

Unlike its effect on performance, PCSR was not proven to have a significant effect on Total Quality Management (TQM). This shows that CSR perceptions have not yet been automatically integrated into internal quality management practices. This finding is consistent with Setyawati and Hastuti (2021) and Sila and Ebrahimpour (2005), who affirm that CSR only impacts TQM when institutionalized within quality policies and operational processes. Thus, externally oriented CSR without systematic integration into a quality culture is not strong enough to drive TQM implementation.

On the contrary, OCB and Work Environment were proven to have a significant effect on TQM. Employees' voluntary behavior creates a collaborative and participatory work climate, which is a prerequisite for the success of continuous improvement in TQM (Deming, 1986; Ishikawa, 1985). A comfortable and supportive work environment also provides physical and psychological conditions that enable employees to actively engage in quality control and process improvement (Mariani & Rahardjo, 2021). These findings affirm that TQM develops more effectively through internal organizational factors that directly engage employee behavior and working conditions.

The research results show that TQM has a positive and significant effect on Employee Performance, indicating that the application of total quality principles can improve the effectiveness and quality of employees' work. This finding supports the views of Deming (1986) and Juran (1992) that a structured, consistent, and participatory quality system will have a direct impact on individual productivity and performance. Research by Susanty and Miradipta (2013) and Alzoubi and Ahmed (2019) also reinforces that TQM serves as a strategic managerial mechanism for improving performance in the public sector.

Mediation analysis shows that TQM does not mediate the relationship between PCSR and Employee Performance, but successfully mediates the relationships between OCB and Work Environment and performance. This finding confirms that TQM functions more effectively as a reinforcing pathway when driven by voluntary work behavior and a conducive environment, rather than by CSR perceptions alone. This result is consistent with Chaudhary and Sharma (2020) and Al-Dhaafri and Al-Swidi (2016), who emphasize that work culture and environmental conditions are the primary foundations for TQM success. Thus, the improvement of employee performance at PDAM Tirta Dharma Lamongan is most optimally achieved through the synergy between OCB, a supportive work environment, and the sustainable application of TQM.

## CONCLUSION

Based on the analysis results and discussion, this study concludes that Perception of Corporate Social Responsibility (PCSR), Organizational Citizenship Behavior (OCB), Work Environment (WE), and Total Quality Management (TQM) play important roles in influencing Employee Performance (EP) at PDAM Tirta Dharma Lamongan. PCSR, OCB, and WE are proven to have a positive and significant effect on employee performance, showing that perceptions of corporate social responsibility, voluntary work behavior, and a conducive work environment can increase employee motivation, loyalty, and productivity. However, PCSR does not have a significant effect on TQM implementation, indicating that CSR values have not been fully internalized within the organization's quality management system. Conversely, OCB and WE are proven to have a positive effect on TQM, and TQM itself has a significant effect on employee performance and serves as a mediator in the relationship between OCB and work environment and performance, although it does not mediate the relationship between CSR and performance.

Based on these findings, the management of PDAM Tirta Dharma Lamongan is advised to strengthen the implementation of CSR so that it is not only externally oriented but also integrated with the development of human resource quality and internal quality management systems. In addition, the organization needs to continuously cultivate and maintain OCB through policies that encourage cooperation, active participation, and recognition of employee initiatives and positive behavior. From the work environment perspective, continuous improvements in comfort, security, and the quality of facilities and infrastructure need to be made to create harmonious and productive working relationships. TQM implementation also needs to be strengthened through regular training, quality-based performance evaluation, and the involvement of all employees in the continuous improvement process so that a consistent quality culture is created that directly impacts performance improvement.

This study has several limitations, including the scope of the research object being limited to a single institution, the use of perception-based questionnaires that potentially introduce subjective bias, and a quantitative approach that has not been able to explore qualitative factors such as organizational culture, leadership style, and emotional aspects of employees. In addition, the mediating variable used is limited to TQM, while other variables such as organizational commitment, job satisfaction, or employee engagement have not been included in the model. Nevertheless, this study is expected to provide theoretical and practical contributions to the development of human resource management in the public service sector. Future research is advised to broaden the research object and methods, as well as combine quantitative and qualitative approaches so that understanding of the determinants of employee performance can be obtained more comprehensively.

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