



The Effect of Internal Communication and Organizational Culture on Employee Performance at PT. Bank SulSelBar Makassar Main Branch

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Abstract. This study examines the effect of internal communication and organizational culture on employee performance at PT Bank SulSelBar Makassar Main Branch, where several performance problems were found such as lack of optimal service, work delays, and inefficient use of work time. The research sample is the entire population of employees totaling 81 people selected through saturated sampling technique. Using a quantitative approach with multiple linear regression analysis, the results showed that internal communication and organizational culture simultaneously have a significant effect on employee performance, so it is recommended that companies further encourage employees to set clear work goals in order to improve the effectiveness of performance and achievement of organizational goals.

Keywords: Internal Communication, Organizational Culture and Performance

1. BACKGROUND

Employee performance is one of the crucial aspects that determine the success and survival of an organization, especially in the era of globalization and increasingly fierce business competition (Mujibi & Azmy, 2024). In the banking sector, where market dynamics change very quickly and customer demands are increasingly complex, employee performance not only affects internal productivity but also the company's image and reputation in the eyes of the public (Kharis & Fitriah, 2024). PT Bank Sulselbar Makassar Main Branch as one of the leading banking institutions in the South Sulawesi region faces various challenges in an effort to maintain and improve the performance of its employees.

One of the main factors affecting employee performance is internal communication. Effective communication in the organization plays an important role in conveying the vision, mission, and goals of the company to all members of the organization. In addition, good internal communication also helps in the dissemination of accurate and timely information, reduces the possibility of misunderstanding, and improves coordination between departments. In the context of PT Bank Sulselbar, effective internal communication is expected to increase operational efficiency, speed up decision making, and increase employee job satisfaction, which in turn has a positive impact on their performance (Aprinawati et al., 2024).

In addition to internal communication, organizational culture also plays an important role in determining employee performance. Organizational culture includes values, norms, and behaviors that are expected and applied in an organization. A strong and positive organizational

culture can create a conducive work environment, where employees feel valued, motivated, and actively involved in achieving common goals (Putra, 2015). At PT Bank Sulselbar Makassar Main Branch, a supportive organizational culture is expected to increase employee loyalty, reduce turnover rates, and encourage innovation and creativity at work.

However, in practice, not all companies are able to create effective internal communication and a strong organizational culture (Sugiarto, 2016). Various factors such as a hierarchical organizational structure, lack of communication training for managers, or conflicts between employees can hinder the achievement of optimal communication. Likewise, a weak or inconsistent organizational culture can lead to role vagueness, low work motivation, and decreased employee performance (Saputro et al., 2024). Therefore, it is important to conduct in-depth research on how internal communication and organizational culture affect employee performance, especially at PT Bank Sulselbar Makassar Main Branch.

This research is relevant considering that PT Bank Sulselbar Makassar Main Branch operates in a highly competitive and dynamic environment. To stay ahead, this bank needs to ensure that their employees work optimally and are able to adapt to the changes that occur. In addition, with the development of information and communication technology, companies are expected to be able to utilize these tools to increase the effectiveness of internal communication (Setiawan, 2018). This study aims to provide in-depth insight into the relationship between internal communication, organizational culture, and employee performance, and provide applicable recommendations for the management of PT Bank Sulselbar in improving their strategy.

The existing literature shows that internal communication and organizational culture are two main pillars that are interrelated in shaping employee performance. According to (Khurniawan et al., 2023), good internal communication can improve coordination, motivation, and employee engagement. Meanwhile, (Wahjono, 2022) stated that a strong organizational culture can create a shared identity and guide employee behavior in achieving organizational goals. These two factors, when managed properly, can create positive synergies in improving employee performance.

PT Bank Sulselbar Makassar Main Branch, there are various initiatives that have been carried out to improve internal communication and strengthen organizational culture. However, there has been no research that specifically examines the extent to which these initiatives are effective in improving employee performance. Therefore, this research is important to fill this void and provide empirical data that can be used as a basis for strategic decision making by management.

In addition, this research is also expected to make a theoretical contribution by enriching the literature on the relationship between internal communication, organizational culture, and employee performance, especially in the context of the banking industry in Indonesia. Thus, the results of this study are not only useful for PT Bank Sulselbar Makassar Main Branch, but can also be used as a reference for other companies that want to improve employee performance through effective communication management and organizational culture.

Overall, this research has a high relevance in helping PT Bank Sulselbar Makassar Main Branch to understand the internal factors that affect employee performance (Akbar, 2018). By understanding the influence of internal communication and organizational culture, management can take appropriate strategic steps to improve operational efficiency, strengthen relationships between employees, and create a more productive and harmonious work environment (Daeli et al., 2024). This research is expected to be the basis for developing more effective policies and programs in an effort to improve employee performance, which in turn will contribute to the overall success and growth of the company.

2. THEORETICAL STUDY

Performance

Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Adha et al., 2019). In a modern perspective, (Azizah, 2021) expand the definition of performance not only as an end result, but also includes behaviors and processes that lead to the achievement of organizational goals. Performance is also understood as a function of the abilities, motivation, and opportunities that individuals have in the organization.

(Tun Huseno, 2021) identify five key indicators in measuring performance: (1) quantity of output, (2) quality of output, (3) timeliness, (4) attendance at work, and (5) ability to cooperate. Meanwhile, Gibson et al. (2022) added that performance is also influenced by individual factors (ability, skill, background), psychological factors (perception, attitude, motivation), and organizational factors (resources, leadership, structure).

Internal Communication

Internal communication is defined as the exchange of information and ideas within an organization (Nurrachmah, 2021). (Jannah et al., 2024) emphasize that internal communication serves as a means of control, motivation, emotional expression, and information in organizations. The effectiveness of internal communication can be seen from four main

dimensions: vertical upward communication, vertical downward communication, horizontal communication, and diagonal communication.

Recent research by (Panda et al., 2023) revealed that in the digital age, internal communication has undergone a significant transformation with the adoption of digital platforms and internal social media. The effectiveness of internal communication can be measured through indicators: (1) openness in communication, (2) speed of message delivery, (3) clarity of information, (4) accuracy of media used, and (5) feedback culture.

Organizational Culture

(Ainanur & Tirtayasa, 2018) defines organizational culture as a pattern of basic assumptions that a particular group creates, discovers, or develops as they learn to deal with problems of external adaptation and internal integration. (Fauzuddin et al., 2022) developed a Competing Values Framework that identifies four types of organizational culture: clan, adhocracy, market, and hierarchy.

(Alfa Fawzan et al., 2023) identified four organizational culture traits that influence organizational effectiveness: (1) involvement, (2) consistency, (3) adaptability, and (4) mission. Indicators of organizational culture can be measured through: innovation and risk-taking, attention to detail, results orientation, people orientation, team orientation, aggressiveness, and stability.

3. RESEARCH METHODS

This research applies explanatory method with quantitative approach to investigate the impact of internal communication and organizational culture on employee performance of PT Bank SulSelBar Main Branch Makassar. Through this research design, researchers sought to identify the causal relationship between the independent variables (internal communication and organizational culture) and the dependent variable (employee performance). Sampling was conducted using the slovin technique from a total population of 81 employees, which ensures representation of each population element in this study. Data collection was carried out using questionnaire instruments specifically designed to measure the three research variables. The analysis stage includes a series of tests including validity, reliability, and classical assumptions to verify the feasibility of data in linear regression analysis. Furthermore, the influence between variables was analyzed through multiple regression techniques using SPSS software as a data processing tool.

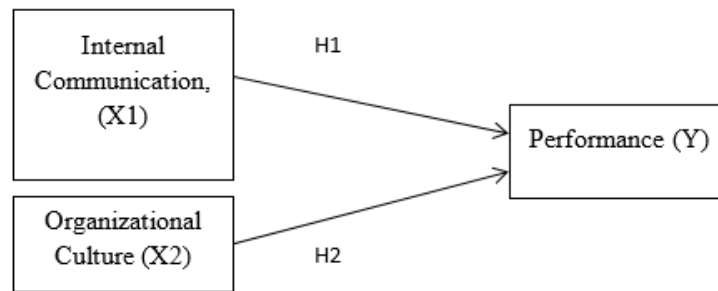


Figure 1. Framework of Thought

This study proposes two hypotheses based on the previously developed research framework model. The hypotheses put forward in this study include:

H1: Internal Communication has an influence on performance

H2: Organizational Culture has an influence on performance

4. RESULTS AND DISCUSSION

Findings

Validity test

Validity testing is a process in research that aims to assess the extent to which a measurement instrument actually measures the construct or variable being studied. Validity ensures that instruments such as questionnaires not only collect data but also collect relevant and accurate data related to the phenomenon being studied.

Table 1. Validity Test

NO	VARIABEL/INDIKATOR	r Hitung	r Tabel	KETERANGAN
	Komunikasi Internal			
1	1	0.502	0.219	Valid
2	2	0.402	0.219	Valid
3	3	0.474	0.219	Valid
4	4	0.542	0.219	Valid
5	5	0.557	0.219	Valid
	Budaya Organisasi			
1	6	0.792	0.219	Valid
2	7	0.785	0.219	Valid
3	8	0.670	0.219	Valid
4	9	0.875	0.219	Valid
5	10	0.860	0.219	Valid
6	11	0.627	0.219	Valid
	Kinerja Karyawan			
1	12	0.514	0.219	Valid
2	13	0.705	0.219	Valid
3	14	0.407	0.219	Valid
4	15	0.721	0.219	Valid
5	16	0.590	0.219	Valid
6	17	0.754	0.219	Valid
7	18	0.454	0.219	Valid

Source : Nurul (2024)

As seen in table 1, the validity test conducted for the internal communication, organizational culture, and performance variables shows that the statement items used to measure the three variables have met the standard value of validity, r-table 0.219, with a significance value for each item of 0.000, far below the significance level of 0.05. The r-count

greater than r-table, and the significance value below 0.05 confirm that the statement items for internal communication, organizational culture, and performance variables are statistically valid.

Reliability Test

Reliability test is a test conducted to test the extent to which an instrument is reliable and consistent in measuring a variable. If the Cronbach's Alpha of the instrument exceeds 0.60, this reflects that the instrument is reliable and has proven consistent. Conversely, if the Cronbach's Alpha value is below 0.60, this indicates that there are several statements that show inconsistency in their answers.

Table 2. Reliability Test

Variable	Cronbach's Alpha	Description
Internal Communication	0,725	Reliable
Organizational Culture	0,917	Reliable
Performance	0,815	Reliable

Source : Nurul (2024)

Based on the reliability test results from table 6, it can be concluded that the statements selected to evaluate internal communication, organizational culture, and performance are reliable, as their Cronbach's Alpha values exceed the 0.60 threshold. This reliability test shows the robustness of the instrument, with the Cronbach's Alpha value for internal communication reaching 0.725, organizational culture getting a value of 0.917, and performance showing reliability with a value of 0.815.

Classic Assumption Test

Normality test

The normality test aims to test whether in the model, confounding or residual variables have a normal distribution (Ghozali, 2013: 160). To test whether the data is normally distributed or not, it can be seen by using a normal plot graph. If the data spreads around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, the regression model fulfills the normality assumption.

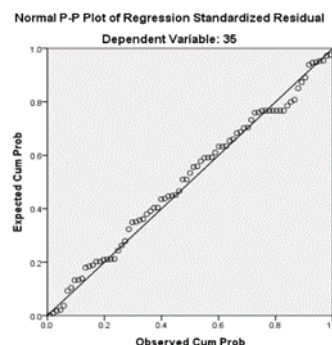


Figure 2. Normal P-P Plot

From Figure 2, it is found that all data is normally distributed, the data distribution is around the diagonal line, so the regression model fulfills the assumption of normality.

Multicollinearity Test

Uji multikolinearitas merupakan pengujian yang disertakan dalam penelitian untuk mengeksplorasi apakah variabel independen dalam model regresi saling berkaitan atau tidak. Keadaan bebas dari multikolinearitas dianggap terpenuhi jika nilai Variance Inflation Factor (VIF) tetap di bawah 10 dan nilai toleransi melampaui 0,1. Dengan demikian, pengujian ini memberikan pemahaman mendetail melalui evaluasi nilai VIF (Variance Inflation Factor) dan toleransi yang dimiliki.

Table 3. Multicollinearity Test

NO	VARIABLE	Tolerance	VIF
1	Internal Communication	0.723	1.383
2	Organizational Culture	0.723	1.383

Source : Nurul (2024)

Based on table 3 regarding the multicollinearity test above, the internal communication and organizational culture variables studied have a VIF value of $1.383 < 10$ and a tolerance value of $0.723 > 0.10$. The tolerance value and VIF owned by the internal communication and organizational culture variables indicate that these variables do not occur multicollinearity.

Heteroscedasticity Test

The heteroscedasticity test is conducted with the aim of identifying whether the regression model shows differences in variance among various data. The absence of a clear pattern in the data and a random distribution indicates the absence of heteroscedasticity. Information on the results of the heteroscedasticity test is presented through a graphical representation in the form of a scatterplot.

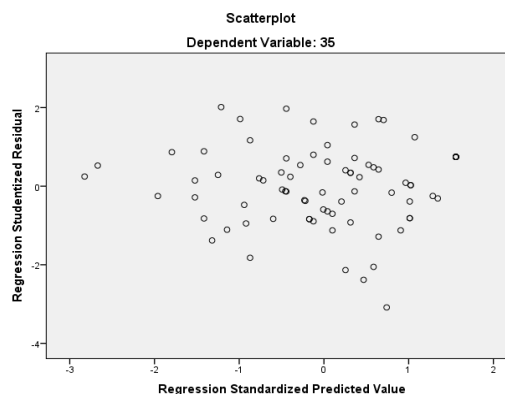


Figure 3. Scatterplot graph

Based on observations of the graph above, it can be concluded that heteroscedasticity does not occur because the distribution of data occurs randomly without forming a certain pattern in the graph.

Hypothesis test

1. F Test (Simultaneous Test)

The F statistical test is used to verify whether all the independent variables tested have a concurrent impact on the dependent variable. When the f-count value exceeds the f-table value and the significance value is less or equal to 0.05, it is an indicator that the independent variables collectively exert an influence on the dependent variable.

Table 4. F Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	502.568	2	251.284	44.234	.000 ^b
	Residual	437.420	77	5.681		
	Total	939.987	79			

a. Dependent Variable: Total kinerja karyawan

b. Predictors: (Constant), Totally organizational culture, Totally internal communication

Source: Nurul, 2024

Based on table 4 of the F test obtained from the processing results of internal communication and organizational culture using the SPSS version 20 program, it is obtained Sig F 0.000 <0.01 (5%) with Fhitung 44.234 (Fhitung > Ftabel) = 44.234 > 3.11, so the regression model can be used to predict employee performance at PT. Bank SulSelBar Makassar Main Branch. So, it can be concluded that internal communication and organizational culture simultaneously have a significant effect on employee performance at PT Bank SulSelBaar Makassar Main Branch.

2. Multiple Linear Regression Test

Based on the results of multiple linear regression tests, the multiple regression equations used in this study are:

$$Y = 8.308 + 0,680 X_1 + 0.268 X_2$$

The constant value of the performance variable is found to have a value of 8.308, which means that the performance variable will have an effect of 8.308 if internal communication and organizational culture do not increase or decrease. The value of the internal communication variable (X₁) is 0.680, which means that performance will increase by 0.680 for every one unit increase in the internal communication variable (X₁). The value of the organizational culture variable (X₂) is 0.268, where every one unit increase in the organizational culture variable (X₂), performance will increase by 0.268.

Discussion

1. The effect of internal communication on employee performance

The results of hypothesis testing show that internal communication has a positive and significant effect on employee performance at PT Bank Sulselbar Makassar Main Branch. This is indicated by the t-count value of 5.831 with a significance level of 0.000, which is smaller than 0.05, so that the null hypothesis (Ho) is rejected and the alternative hypothesis (Ha) is accepted. This means that the better the internal communication in the organization, the employee performance will also increase. Effective internal communication allows for a clear flow of information, minimizes misunderstandings, and helps employees understand their roles and responsibilities. Thus, a conducive work environment can be created, and employees feel more involved and motivated to achieve organizational goals.

These results are consistent with the findings of previous research by Siti Chairunnisah (2009) who examined the influence of leadership style, internal communication, and work motivation on employee performance at the Grogol Petamburan District Office, West Jakarta. In the study, internal communication was also shown to have a positive and significant influence on employee performance. This reinforces that good internal communication is very important in organizations to improve performance, because smooth and structured communication not only supports productivity but also strengthens relationships between employees.

2. The Effect of Organizational Culture on Performance

The results of hypothesis testing show that organizational culture has a positive and significant effect on employee performance at PT Bank Sulselbar Makassar Main Branch. The t-count value of 3.093 with a significance level of 0.000 (less than 0.05) indicates that the alternative hypothesis (Ha) is accepted and the null hypothesis (Ho) is rejected. In other words, the application of a strong and consistent organizational culture in the company can improve employee performance. Organizational culture includes values, norms, and rules that guide employees' daily behavior. When this organizational culture is well implemented, employees feel more directed, motivated, and have a high awareness of the company's common goals. This facilitates the creation of a harmonious work environment, where employees feel comfortable and supported in achieving optimal productivity.

A positive organizational culture provides employees with a foundation of values and behavioral guidelines, so they have the motivation and drive to perform well. This strong culture can also increase employees' sense of ownership and commitment to the company. The results of this study are consistent with previous research by Riska Pratiwi (2012), which found

that organizational culture has a positive and significant influence on employee performance at the Makassar State Wealth and Auction Service Office. This finding confirms that organizational culture is not just a background but is one of the important factors that drive performance, because a good culture makes employees feel comfortable, motivated, and have loyalty to the company.

Thus, companies that want to improve employee performance need to pay attention to and develop a relevant and supportive organizational culture. As long as employees are happy and engaged with the culture, the positive impact on performance will continue to be seen, increasing the chances of achieving organizational success.

5. CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the research results, it can be concluded that internal communication and organizational culture have a positive and significant influence on employee performance at PT Bank Sulsebar Makassar Main Branch. Effective internal communication enables clear information flow and better employee engagement, thereby supporting work productivity and efficiency. In addition, a strong organizational culture, which includes values, norms and rules that are consistently applied, helps create a conducive work environment and increases employee loyalty and motivation to achieve company targets. Thus, these two factors prove to play an important role in building optimal employee performance.

Suggestion

a. Improving Internal Communication

PT Bank Sulsebar Makassar Main Branch should continue to improve the internal communication system so that information can be conveyed more effectively and transparently. Management can consider organizing regular meetings, discussion forums, or digital communication platforms that facilitate interaction between employees and management.

b. Strengthening Organizational Culture

Companies are advised to strengthen organizational culture that supports the values of togetherness, innovation, and cooperation. This can be done through training, orientation programs for new employees, and periodic introduction of company values so that every employee can understand and apply the organizational culture in their daily work.

c. Periodic Evaluation

To ensure that internal communication and organizational culture remain effective, companies should conduct periodic evaluations. Employee satisfaction surveys and feedback on work culture can be useful tools to assess whether the work environment supports optimal performance.

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