The Influence of Servant Leadership and Motivation on Employee Performance with Organizational Culture as a Mediating Variable

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ABSTRACT: The role of Human Resources (HR) is crucial and strategic in achieving organizational goals; therefore, organizations must pay close attention to employee performance. PDAM Way Rilau Bandar Lampung is currently facing various challenges in improving employee performance, particularly in meeting demands for optimal public service. To remain competitive, the company must not only maintain but also enhance service quality. Servant leadership, which focuses on employee service and development, plays a vital role in increasing motivation and responsibility at work. This study aims to analyze the influence of servant leadership and motivation on employee performance, with organizational culture as a mediating variable. The research was conducted using a simple random sampling method, employing a probability sampling technique, with a total sample of 220 employees across various departments. Primary data was collected through questionnaires, and the data analysis was conducted using Structural Equation Modeling (SEM) with AMOS software. The findings support hypotheses 1, 2, 3, and 4, revealing that servant leadership has a positive and significant impact on employee performance, motivation positively and significantly affects employee performance, organizational culture mediates the effect of servant leadership on employee performance, and organizational culture mediates the effect of motivation on employee performance. Based on these findings, several recommendations are proposed: to enhance servant leadership, the company should improve leadership communication skills to ensure clearer information delivery; to strengthen employee motivation, management should emphasize the significance of employees' roles in achieving organizational success; to reinforce organizational culture, the company should foster a sense of teamwork through collaborative activities; and to enhance employee performance, greater attention should be given to work planning and employee development programs.

KEYWORDS: Servant Leadership, Motivation, Organizational Culture, Employee Performance

I. INTRODUCTION

Human Resources (HR) play a crucial and strategic role in organizations to achieve their goals. Effective HR management ensures that employees contribute optimally, leading to better overall performance. Employee performance is a key competitive advantage, influenced by leadership, motivation, and organizational culture. However, many employees still lack accountability in their work, affecting company performance, as seen in PDAM Way Rilau Bandar Lampung.

Performance assessment is essential for evaluating, managing, and rewarding employees while making critical HR decisions. According to PERPAMSI, the performance of regional water companies (PDAM) in Indonesia is assessed based on four aspects: financial (25%), service (25%), operational (35%), and human resources (15%). PDAM Way Rilau has shown a decline in performance from 2020 to 2022, indicating management challenges that require immediate strategic action.

PDAM performance is categorized into three levels: Healthy (>2.8), Less Healthy (2.2–2.8), and Unhealthy (<2.2). The company's declining performance over the past three years signals potential risks to service quality, financial stability, and operational efficiency. Urgent improvements are needed to restore performance, ensuring better service for customers and maintaining the company's sustainability.

The performance assessment of PDAM Way Rilau Bandar Lampung in 2022 indicates that the company is in a "POOR" condition, with financial, service, operational, and human resource aspects failing to meet the set targets. This situation reflects serious issues that require significant improvements to enhance both organizational and employee performance. Poor organizational performance can directly impact employee productivity, likely due to low work quality, lack of coordination, and limitations in

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skills and resources. Conversely, when an organization performs well, employees tend to be more productive and efficient, ultimately contributing to the company's success.

One of the key factors influencing both organizational and employee performance is leadership. Leaders play a crucial role in guiding and managing human resources to align with the company's goals. The servant leadership style has become increasingly relevant as it emphasizes empathy, humility, and serving employees to foster their growth. Research indicates that servant leadership positively affects employee performance by creating a work environment that supports innovation, collaboration, and employee well-being. Thus, effective leadership can be a crucial factor in improving PDAM Way Rilau's performance and ensuring the company fulfills its role in providing clean water to the public.

PDAM Way Rilau Kota Bandar Lampung, as a provider of clean water distribution services, requires strong leadership that prioritizes service excellence. Servant leadership plays a crucial role in enhancing employee performance by fostering collaboration, open communication, and personal development. However, observations indicate that leadership in PDAM Way Rilau lacks clear guidance, direct engagement, and humility in addressing employee concerns, which hinders trust and motivation. Moreover, while extrinsic motivation, such as financial rewards and job security, is well-implemented, intrinsic motivation remains weak. Employees often lack enthusiasm and engagement, leading to lower job satisfaction and productivity. Strengthening intrinsic motivation, such as fostering personal achievement and meaningful work, is essential to improving employee commitment and overall organizational performance.

Organizational culture also significantly influences employee performance, as it shapes shared values, principles, and work traditions. PDAM Way Rilau faces challenges in employee engagement, with low levels of ownership and responsibility due to limited participation in decision-making and innovation. However, under the leadership of Meidasari, significant transformations have been made, focusing on creating a more inclusive and motivating work environment. A strong organizational culture enhances employee motivation, which in turn improves overall performance. Previous studies confirm that a supportive organizational culture fosters motivation and engagement, leading to better productivity. Addressing leadership effectiveness, motivation, and organizational culture is key to overcoming declining employee performance at PDAM Way Rilau.

Servant Leadership

Servant leadership is a leadership approach that prioritizes the needs of others above personal interests, focusing on the development and well-being of team members while fostering an environment that supports innovation and team performance (Luxi et al., 2024). This leadership style places followers as the primary focus, with organizational matters being peripheral concerns. Servant leadership is rooted in virtue, defined as good moral qualities or general excellence in character (Dennis & Bocarnea, 2005). Leaders who practice servant leadership put their subordinates' needs before their own and dedicate efforts to help them grow, reach their maximum potential, and achieve both organizational and career success. This leadership behavior fosters strong interpersonal relationships between leaders and followers, playing a crucial role in employee motivation and performance (Liden et al., 2008).

Leadership in organizations can take various forms, including personal, non-personal, authoritarian, paternalistic, democratic, and talent-based leadership (Priansa, 2014). Personal leadership involves direct relationships with subordinates, fostering intimate connections, whereas non-personal leadership relies on written instructions. Authoritarian leadership enforces obedience through fear, while paternalistic leadership limits subordinates' decision-making, often overburdening leaders with tasks. In contrast, democratic leadership encourages participation in decision-making, making employees feel valued and accountable for their responsibilities. Lastly, talent-based leadership focuses on a leader's ability to attract and engage followers by creating an adaptable and enjoyable work environment. Each leadership style has a distinct impact on organizational culture and employee motivation, influencing overall productivity and efficiency.

The effectiveness of servant leadership is reflected in its core indicators, including empowerment, standing back, humility, authenticity, and stewardship (Van Dierendonck et al., 2017). Empowerment involves encouraging proactive decision-making and confidence among subordinates, while standing back means prioritizing others' leadership and offering necessary support. Humility allows leaders to acknowledge their limitations and seek contributions from others, whereas authenticity ensures that leaders remain true to their values and commitments. Stewardship, on the other hand, emphasizes social responsibility, loyalty, and teamwork, shifting the focus from control to service. These elements collectively contribute to an effective servant leadership model, enhancing employee engagement, trust, and long-term organizational success.

Motivation

Employee motivation plays a crucial role in enhancing an organization's performance, as highly motivated employees strive to achieve optimal results. Motivation consists of intrinsic factors, which come from within an individual, and extrinsic factors, which

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originate from external sources. Raúl et al. (2024) define motivation as the force that influences behavior, while Armstrong emphasizes its purpose in aligning organizational and individual goals. Maslow, as cited in Terry (2015), explains that motivation is a desire that stimulates action, which can be seen from two perspectives: active, where motivation drives productivity, an d passive, where it acts as a need that stimulates action. Herzberg (1966) further describes work motivation as an employee's attitude toward their job that fosters job satisfaction. Similarly, Dewi et al. (2019) highlight motivation as both an internal and external driving force affecting employee behavior and performance.

The primary goal of motivation in organizations is to encourage employees to work harder, more efficiently, and effectively to achieve company objectives. According to Alshmemri et al. (2017), motivation aims to stimulate individuals to take action toward specific goals. Ramlall (2004) defines motivation as the factors driving employees to work diligently to achieve desired outcomes. Herzberg (1959) outlines several key objectives of motivation, including improving employee morale, performance, discipline, and retention. Additionally, motivation enhances workplace relationships, loyalty, creativity, responsibility, and overall well-being while optimizing resource efficiency. Employee behavior is generally task-oriented, and continuous monitoring and direction are necessary to ensure that motivation effectively drives performance toward achieving organizational goals.

Motivation is a process of providing encouragement that fosters enthusiasm and effectiveness in achieving satisfaction. Herzberg (1959) describes the motivation process as involving several key steps: setting organizational goals, understanding employee needs, ensuring effective communication, integrating employee and organizational objectives, providing necessary facilities, and fostering teamwork. Managers play a vital role in motivating employees by aligning their interests with company goals, maintaining open communication, and facilitating teamwork. These elements contribute to creating a supportive and productive work environment, ensuring employees remain engaged and committed to their roles.

Organizational Culture

Organizational culture consists of shared values, principles, traditions, and work practices that shape how members of an organization behave and differentiate it from others (Robbins, 2018). Over time, these values and practices evolve, influencing how work is conducted. According to Denison in Made Darsana (2013), organizational culture forms the foundation of management systems and behaviors that reinforce these principles. It is perceived collectively by employees and manifests as shared beliefs, values, and expectations. Akpa et al. (2021) describe it as a holistic concept shaped by history, social construction, and group dynamics, making it deeply ingrained and difficult to change. Schein (2006) defines it as a pattern of basic assumptions developed by a group to address external adaptation and internal integration, which are then passed on to new members.

Organizational culture serves two main functions: internal integration and external adaptation (Sunyoto, 2015). Internally, it unites members by establishing shared identity and guidelines for effective collaboration. Externally, it dictates how an organization achieves goals and interacts with external stakeholders, ensuring adaptability to competition, innovation, and consumer needs. Robbins (2010) highlights additional functions, such as distinguishing an organization from others, fostering identity among members, encouraging commitment, and maintaining social cohesion for organizational stability.

In essence, organizational culture is a long-established pattern of values, beliefs, and norms guiding employee behavior, management systems, and problem-solving approaches. It plays a critical role in shaping internal unity and external adaptability, influencing how an organization operates and evolves over time.

Employee Performance

Employee performance is the result of an interaction between performance measurement (what is measured) and performance management (how the measurement is used to manage organizational performance) (Garengo & Sardi, 2020). It is a crucial factor in business, serving as a key metric for assessing organizational success (André de Waal, 2018). Employee performance refers to an individual's capacity to complete job tasks effectively, contributing to organizational growth (Santos et al., 2018). According to Koopmans (2011), performance is a set of behaviors aligned with organizational goals, emphasizing that employee actions should support the company's objectives. Performance is also influenced by the proximity between employees and the organization, as stated by Kanfer (2005). A high level of performance is demonstrated when employees successfully complete tasks and meet expected standards.

Several factors influence employee performance, including individual, psychological, and organizational elements (Gibson et al., 2000). Individual factors encompass abilities, skills, background, experience, demographics, and social status. Psychological factors involve perception, roles, attitudes, personality, motivation, work environment, stress, and job satisfaction. Organizational factors include job design, leadership, rewards, and company structure. To assess performance, employers evaluate leadership skills, time management, organization, and productivity (Omolayo, 2005). Defining job performance elements and setting specific goals help employees enhance their productivity.

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The employee performance indicators in this study are divided into two main dimensions: task performance and contextual performance (Janbeik, 2019). Task performance includes work planning, problem-solving, result orientation, and efficiency in working. Meanwhile, contextual performance encompasses initiative, feedback acceptance, teamwork, and effective communication. Koopmans' theory (2014) serves as the basis for measuring employee performance through these aspects, reflecting individual contributions to achieving organizational goals.

II. METHODOLOGY

This study employs a descriptive-verificative research design with an ex post facto and survey approach. Descriptive research, as defined by Sudaryono (2017), involves assessing current issues within a population, including attitude and opinion evaluations. The most common method is surveys, which use questionnaires and interviews, alongside observational and correlational studies to analyze relationships between variables. Meanwhile, verificative research determines the influence between variables in a given condition (Nazir, 2019). The ex post facto approach collects data directly from the research area to describe past data and field conditions before further analysis (Ignou, 2012). The survey method is used to obtain natural data while implementing structured data collection techniques such as questionnaires and interviews (Sugiyono, 2019).

The population in this study consists of 258 employees of PDAM Way Rilau in Bandar Lampung after excluding three directors. The sample size follows Hair et al.'s (2021) recommendation for Structural Equation Modeling (SEM), requiring 100–300 respondents, with this study using 220 respondents. The sampling method employs probability sampling with a simple random sampling approach (Taherdoost et al., 2016), ensuring every item in the population has an equal chance of selection. Respondents are chosen randomly across various departments in the company. A proportional sample distribution is calculated for each department based on its employee count.

Primary and secondary data sources are used in this study. Primary data is collected directly through questionnaires and in-depth interviews with PDAM Way Rilau employees (Sekaran & Bougie, 2016). Secondary data comes from company reports, government publications, journal articles, and books. Data collection methods include observation, interviews, questionnaires, and documentation to ensure comprehensive research. Variables in this study include independent variables (servant leadership and work motivation), the dependent variable (employee performance), and the mediating variable (organizational culture), following the definitions provided by Sekaran (2016).

III. RESULTS AND DISCUSSION

Convergent Validity Test and Reliability Test

After conducting validity tests, including convergent validity and discriminant validity, as well as construct reliability testing using Cronbach's Alpha, it can be concluded that all indicators measuring the variables career development, self-efficacy, employee performance, and job satisfaction are declared valid and reliable. This is evident from the loading factor and AVE values which meet the convergent validity criteria, as well as the AVE root value which is greater than the correlation with other variables in accordance with the Fornell and Larcker Criterion for discriminant validity (Hair et al., 2014). In addition, the large Cronbach's Alpha coefficient of 0.6 indicates that all indicators are consistent in measuring the variables they measure (Sekaran et al., 2016). Therefore, the test results confirm the validity and reliability of the measuring instruments used in this research (Primary Data, processed 2024).

Table 1. Results of Convergent Validity Test and Reliability Test

Variabel	Construct Reliability	Signifikansi	Kesimpulan
Servant Leadership (X1)	0,976	0,70	Reliabel
Motivasi (X2)	0,954	0,70	Reliabel
Budaya Organisasi (M)	0,952	0,70	Reliabel
Kinerja Karyawan (Y)	0,963	0,70	Reliabel

Source: Primary Data (2025)

Structural Model Test Results

Model suitability test results (goodness of fit) in the structural equation modeling (SEM) will be described in the table 2 below:

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Table 2. Results of Goodness of Fit

Goodness Of Fit Indeks	Cut off Value	Hasil Analisis	Evaluasi Model
Chi Square	≥ 2867 (dimana Chi Square untuk df 121 Taraf Sig 5%= 121,8)	2,35	Good Fit
Probability	> 0.05	0,000	Poor
RMSEA (Root Mean Square Error of approximation)	< 0.08	0,079	Good Fit
GFI (Goodness Of Fit Indeks)	> 0.90	0,571	Poor
AGFI (Adjusted GFI)	> 0.90	0,533	Poor
TLI	> 0.90	0,859	Good Fit
NFI	> 0.90	0,788	Marginal Fit
PCFI	> 0.90	0,827	Good Fit
PNFI	> 0.90	0,753	Marginal Fit

Source: Primary Data (2025)

Hypothesis Testing

The results of the analysis can be seen through the summary in Table 3 below:

Goodness of Fit
Chi-Square=2867,577
Probability=,000
CMIN/DF=2,354
GFI=,571
AGFI=,533
RMSEA=,079
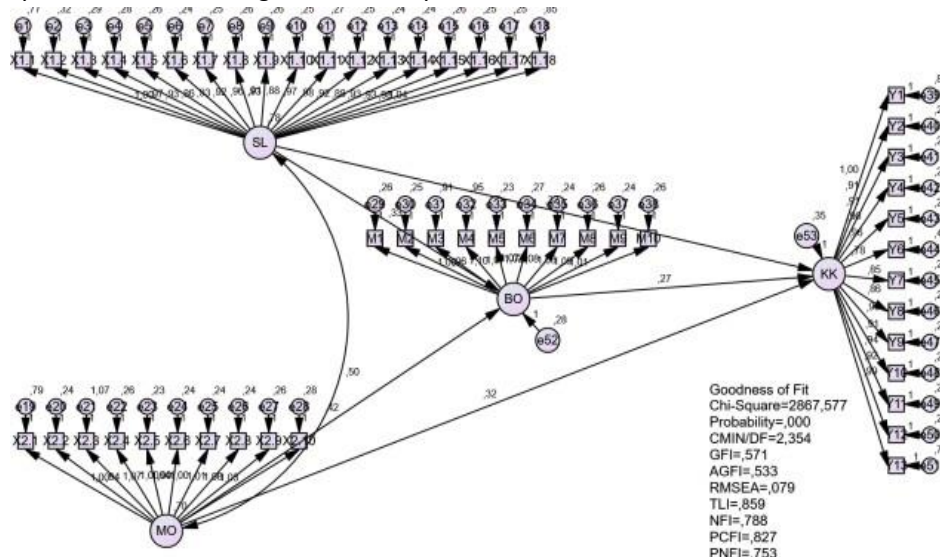TLI=,859
NFI=,788
PCFI=,827
PNFI=,753

Figure 1. Standardized Solution (Overall Model)
Source: Primary Data (2025)

The results of hypothesis testing in this research used Structural Equation Modeling (SEM) processed through the AMOS application with hypothesis test results as follows:

Based on Figure 1, it shows two results on direct and indirect hypothesis testing of a positive relationship and significant relationship between variables are described in the table below:

Table 3. Results of Direct Hypothesis Testing

No	Hipotesis	Estimate	p-Value	Keterangan
1	Servant leadership has a positive and significant influence on employee performance	0,322	0,000	H1 Supported
2	Motivation has a positive and significant influence on employee performance	0,324	0,000	H2 Supported
3	Organizational culture mediates the influence of servant leadership on employee performance	0,087	0,022	H3 Supported (Partial Mediation)
4	Organizational culture mediates the influence of motivation on employee performance	0,105	0,020	H4 Didukung (Partial Mediation)

Source: Primary Data (2025)

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Based on Table 3 above, the results of hypothesis analysis are as follows:

● Direct Influence of Servant Leadership on Employee Performance

The study finds that servant leadership has a positive and significant impact on employee performance, with an estimate value of 0.322 and a p-value of 0.000. This indicates that when leaders prioritize serving employees, their performance improves significantly.

● Direct Influence of Motivation on Employee Performance

Motivation also shows a positive and significant effect on employee performance, with an estimate of 0.324 and a p-value of 0.000. This suggests that highly motivated employees tend to perform better in their roles.

● Mediating Role of Organizational Culture in Servant Leadership and Performance

Organizational culture partially mediates the relationship between servant leadership and employee performance, with an estimate of 0.087 and a p-value of 0.022. This means that while servant leadership directly enhances performance, a strong organizational culture further strengthens this effect.

● Mediating Role of Organizational Culture in Motivation and Performance

Similarly, organizational culture partially mediates the influence of motivation on employee performance, with an estimate of 0.105 and a p-value of 0.020. This indicates that a positive organizational culture enhances the impact of motivation, leading to even better employee performance.

DISCUSSION

The Influence of Servant Leadership on Employee Performance at PDAM Way Rilau Bandar Lampung

The results of the Regression Weight calculation in Table 4.17 show that the coefficient of the servant leadership variable on employee performance is 0.322, with a P-value < 0.05. This indicates a positive and significant influence of servant leadership on employee performance. These findings align with the research hypothesis. Additionally, the results are consistent with studies by Saleem et al. (2020) and Sarwar et al. (2021), which also found a positive and significant relationship between servant leadership and employee performance. Thus, this study supports the proposed hypothesis.

Servant leadership has become an important topic in human resource management studies due to its numerous benefits for companies. In addition to fostering high employee loyalty, servant leadership encourages employees to contribute more to the company by enhancing their performance. This is achieved through strong workplace relationships between leaders and employees, which help create a positive and conducive work environment where leaders prioritize employee needs and well-being. The ultimate goal is to establish mutual relationships that contribute to the sustainable achievement of organizational objectives.

At PDAM Way Rilau Bandar Lampung, servant leadership has been implemented through employee development support, openness to feedback, and a focus on team success and social responsibility. Leaders demonstrate a long-term vision, responsiveness to team needs, and a work environment that fosters innovation and optimal performance.

The Influence of Motivation on Employee Performance at PDAM Way Rilau Bandar Lampung

The results of the Regression Weight calculation in Table 4.17 show that the coefficient of the motivation variable on employee performance is 0.324, with a P-value < 0.05. This indicates a significant positive influence of motivation on employee performance. These findings align with the research hypothesis. Similarly, studies by Lorincová et al. (2019) and Anisya et al. (2021) also confirm a significant positive relationship between motivation and employee performance. Their research reveals that motivation enhances employee productivity and performance, fosters creativity, strengthens company values, and improves business efficiency. Well-motivated employees dedicate their energy and thoughts to achieving company goals, improving work quality, and contributing to business sustainability. Thus, this study supports the proposed hypothesis.

Employee motivation at PDAM Way Rilau Bandar Lampung is fostered through various management-designed programs aimed at enhancing work enthusiasm. These programs include financial incentives such as performance bonuses, as well as psychological support through training, recognition of achievements, and the creation of a conducive work environment. This approach helps employees feel valued and more motivated in performing their duties.

Organizational Culture Mediates the Influence of Servant Leadership on Employee Performance at PDAM Way Rilau Bandar Lampung

The research findings indicate a significant positive influence of servant leadership on employee performance through organizational culture. Based on the bootstrapping results for mediation in AMOS, the estimated value is 0.087 with a p-value of 0.022. This confirms that organizational culture serves as a mediating variable between servant leadership and employee

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performance. Since organizational culture significantly influences this relationship but does not fully mediate it, the mediation is classified as partial. This means that while organizational culture plays a role in explaining the relationship between servant leadership and employee performance, there is still a direct effect of servant leadership on employee performance. These findings align with the study by Gökalp and Soran (2022), which demonstrated that organizational culture mediates leadership and job performance, ultimately enhancing employee performance within an organization.

The questionnaire responses reveal that adaptability scored the highest among organizational culture indicators, suggesting that employees at PDAM Way Rilau Bandar Lampung are highly prepared to accept changes implemented by the company. This reflects an organizational culture that supports flexibility and innovation in response to workplace dynamics. According to Denison, as cited in Bagga et al. (2023), adaptability is a crucial component of organizational culture that enables companies to remain competitive and responsive to change. At PDAM Way Rilau, employees' readiness for change signifies their understanding and acceptance of new policies introduced by management, contributing to organizational performance improvements, enhanced service quality, and operational efficiency. These findings align with prior research by Denison and Mishra (1995), which suggests that organizations with adaptive cultures are more successful in overcoming external challenges.

Although adaptability indicators show positive results, it is crucial for management to continuously strengthen communication and training programs to help employees navigate change effectively. Leadership support through a servant leadership approach plays a key role in ensuring that implemented changes are well received and successfully adopted by employees. A strong adaptability culture at PDAM Way Rilau not only enhances the organization's ability to respond to external changes but also fosters a dynamic and innovative work environment. Ultimately, this contributes to increased organizational trust and improved employee performance. These findings are consistent with the research of Alipio et al. (2023), which found that organizational culture partially mediates the impact of servant leadership on organizational performance, as well as Almutairi et al. (2020), which showed that servant leadership positively influences organizational trust, with organizational culture playing a partial mediating role in this relationship.

Organizational Culture Mediates the Influence of Motivation on Employee Performance at PDAM Way Rilau Bandar Lampung

The study results indicate a significant positive influence of motivation on employee performance through organizational culture. The bootstrapping analysis using AMOS produced an estimate value of 0.105 with a p-value of 0.020, confirming that organizational culture serves as a mediating variable between motivation and employee performance. Given that organizational culture significantly influences and acts as a partial mediator, motivation directly impacts employee performance. This finding aligns with Raúl et al. (2024), which highlights the essential role of organizational culture as a mediator in the relationship between motivation and employee performance. Motivation is an internal and external driving force that initiates work-related behavior, shaping its direction, intensity, and duration.

According to Bagga et al. (2023), four key indicators define organizational culture: consistency, involvement, adaptability, and mission. At PDAM Way Rilau Bandar Lampung, a strong organizational culture is reflected in clear goal-setting for employees, ensuring that all members understand the company's direction and strategy. Consistency in organizational culture plays a crucial role in enhancing employee motivation, leading to improved performance. A stable work environment with well-defined rules, values, and expectations fosters security and confidence, encouraging employees to perform optimally. Moreover, clear work systems reduce uncertainty and stress, increasing job satisfaction and organizational commitment. With high motivation, employees demonstrate better productivity, stronger loyalty, and enhanced service quality.

This study supports previous research by Lango et al. (2024), which found that organizational culture mediates the impact of leadership style on employee performance. Similarly, Virgiawan et al. (2021) identified organizational culture as a significant mediator in the relationship between transformational leadership, motivation, and employee performance. The results underscore the importance of fostering a consistent organizational culture to enhance work effectiveness and service quality, ultimately reinforcing PDAM Way Rilau's position as a reliable and professional clean water service provider in Bandar Lampung.

IV. CONLUSIONS AND MANAGERIAL IMPLICATIONS CONCLUSIONS

The findings of the investigation, drawn from linear regression analysis, support the following statements:

- Organizational Culture as a Partial Mediator

The study results indicate that organizational culture acts as a partial mediator in the relationship between servant leadership, motivation, and employee performance at PDAM Way Rilau Bandar Lampung. Although organizational culture significantly strengthens this relationship, the direct influence of servant leadership and motivation on employee performance remains. This suggests that, in addition to fostering a strong organizational culture, leadership and motivation are still crucial factors in improving

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employee performance.

● The Positive Impact of Servant Leadership on Employee Performance

The findings confirm that servant leadership has a significant positive effect on employee performance, both directly and indirectly through organizational culture. Leaders who prioritize service, empowerment, and employee well-being contribute to a work environment that encourages higher productivity and engagement. A leadership style that fosters trust and collaboration enhances not only individual performance but also overall organizational effectiveness.

● Motivation Enhances Employee Productivity and Commitment

Motivation is a key driver of employee performance, as indicated by the significant influence found in this study. Employees who receive both financial and non-financial incentives, recognition, and professional development opportunities demonstrate higher productivity and commitment to their work. A well-motivated workforce is more likely to contribute to business sustainability and continuous improvement within the organization.

● Adaptability as a Strength in Organizational Culture

The study highlights adaptability as a crucial component of organizational culture that supports employee performance. Employees at PDAM Way Rilau Bandar Lampung demonstrate a high level of readiness to embrace change, which enhances organizational resilience and responsiveness to environmental challenges. A strong organizational culture that promotes flexibility, continuous learning, and alignment with company goals can lead to better service quality, operational efficiency, and sustained organizational success.

MANAGERIAL IMPLICATIONS

The findings suggest that PDAM Way Rilau Bandar Lampung should strengthen its servant leadership practices to enhance employee performance. Leaders must adopt a more people-centric approach by prioritizing employee well-being, fostering trust, and encouraging collaboration. Providing leadership development programs that emphasize servant leadership principles can help managers become more effective in guiding their teams. Additionally, leaders should actively engage with employees, offering support and clear direction to ensure that organizational goals align with employee needs and aspirations.

Employee motivation plays a crucial role in improving performance; thus, management should implement both intrinsic and extrinsic motivational strategies. Offering financial incentives such as performance-based bonuses and career development opportunities can boost employee morale. However, non-financial incentives, including recognition programs, meaningful work assignments, and opportunities for employees to contribute to decision-making processes, are equally important. Creating a work environment that fosters motivation will enhance job satisfaction, increase commitment, and ultimately lead to better service delivery.

A strong and adaptive organizational culture is essential in facilitating employee motivation and leadership effectiveness. PDAM Way Rilau should focus on cultivating a culture that values adaptability, innovation, and teamwork. This can be achieved by implementing structured communication strategies that help employees understand the company's vision and goals. Regular training programs on change management and skill development will equip employees with the necessary competencies to navigate organizational changes effectively. Encouraging openness to change will ensure that the workforce remains resilient and proactive in addressing challenges.

Furthermore, organizational culture should be integrated into performance management systems to sustain high levels of employee productivity. A culture of continuous feedback, learning, and accountability should be established to enhance employee engagement. Aligning company policies and procedures with organizational values will create a more cohesive work environment where employees feel supported and motivated. By reinforcing a culture that promotes excellence and commitment, PDAM Way Rilau can maintain a competitive edge and improve overall organizational performance.

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