

Unlocking Public Value: The Interplay of Employee Performance, Work Culture, and Innovation in the Social Media Era - A Study of Indonesian Local Governments

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Citation: Indrasari, M. & Susilo, D. (2025). Unlocking Public Value: The Interplay of Employee Performance, Work Culture, and Innovation in the Social Media Era - A Study of Indonesian Local Governments, *Journal of Cultural Analysis and Social Change*, 10(3), 1540-1551. <https://doi.org/10.64753/jcasc.v10i3.2627>

Published: November 30, 2025

ABSTRACT

How digital platforms transform governance and strategic communications research being main address of this research. Public Value Theory is the basis for this PLS-SEM investigation. The model is tested by 150 public workers from three major Indonesian local governments: Surabaya, Gresik, and Sidoarjo. This gives it a strong non-Western empirical base. Studies show that employees who do a good job build a strong work culture that leads to new ideas for service. These natural abilities directly motivate people to use social media, but the main finding of the study is that social media has a mediation effect. The company's internal qualities help it do better on the outside. This shows that strategic digital engagement improves the skills of people inside the company. A detailed model of how public value is created in the digital age demonstrates that social media is a useful tool for performance mediation. Digital mediation adds to the philosophy of public value. Public managers should not just use social media; they need also come up with integrated plans that connect internal cultural and inventive strengths with external digital engagement. This will make the public sector work better.

Keywords: Strategic Communication; Public Value Co-Creation; Digital Stakeholder Engagement; Service Innovation; Public Sector Management.

INTRODUCTION

The dawn of the 21st century has presented public sector organisations with a paradigm-shifting challenge: the imperative to fundamentally transform their operational models amidst an era of pervasive digital connectivity and heightened citizen expectations. (Al-lami et al., 2024; L. Huang et al., 2025; Singh & Nayyar, 2025; Widyaningrum & Nugraheni, 2019) The traditional Weberian model of bureaucracy, characterised by hierarchical structures and one-way information dissemination, is increasingly ill-suited to the dynamic and interactive environment of modern society (Budiyanti et al., 2020; Epley, 2015; Wæraas, 2018). Citizens, now accustomed to the responsiveness and personalisation of the private sector, demand a similar standard from their governments (Hidayat & Susilo, 2021; Susilo et al., 2021). They seek not merely the provision of services, but also active participation, transparency, and demonstrable value (Anshari & Hamdan, 2023; Holroyd, 2019; Wagola et al., 2023). This has catalysed a global movement towards what is broadly termed 'digital governance'; a comprehensive rethinking of how public services are designed and evaluated, with technology acting as both a driver and an enabler of this change (Esposito et al., 2024; C. Huang et al., 2024; Sun et al., 2024).

This transition, however, is far from being a simple matter of technological adoption, especially in developing nations like Indonesia. It represents a profound organisational and cultural shift that tests the very core of public administration (Azhari et al., 2023; Saidah & Rusfian, 2020). The implementation of new digital platforms without

a corresponding evolution in internal strategy and capability often results in only superficial changes that fail to alter the fundamental dynamics of governance (Siswanti et al., 2024; J. Wei & Zheng, 2024). Therefore, the central question is not whether governments should use digital technologies, but how they can embed these technologies within a strategic framework to generate authentic and sustainable public value. Answering this question requires looking beyond the technology itself to examine the deeper organisational drivers that enable its effective use.

This paper contends that the creation of public value in the digital age is contingent upon an integrated management philosophy that fuses Strategic Human Resource Management (SHRM) with Strategic Communication. Authors argue that these are not separate disciplines to be aligned, but two sides of the same coin. An organisation's ability to perform is born from its human capital architecture—the skills, behaviours, and culture cultivated through SHRM (Dong et al., 2023; Lane, 2020). Yet, these management practices are themselves communicative acts; they signal priorities, shape identity, and build relationships. The value generated by these internal capabilities can only be fully realised when it is translated to external stakeholders through purposeful and dialogic communication (Capizzo & Madden, 2022; N. Chen, 2009; Doh et al., 2024; Elgueta-Ruiz & Martínez-Ortiz, 2022; Hobbs & Allen, 2023). Digital platforms are the primary conduits for this. However, the precise mechanisms through which integrated human resource and communication strategies produce enhanced public sector performance remain a theoretical 'black box'. This study aims to illuminate this black box by empirically investigating the interplay between employee performance, work culture, and service innovation, and the pivotal mediating role of social media.

At the heart of any organisation's capacity to adapt and perform lie its people (Halff & Gregory, 2014; Yudarwati & Gregory, 2022). Strategic Human Resource Management (SHRM) marks a crucial evolution from traditional personnel administration to a proactive approach that aligns human resource practices with strategic goals (Kolachina et al., 2024). The foundational premise of SHRM, heavily influenced by the Resource-Based View (RBV), is that human capital is a source of sustained competitive advantage. In the public sector, this 'advantage' translates into enhanced public value and legitimacy. SHRM involves designing a coherent system of HR practices—from recruitment to training and performance appraisal—that collectively foster the competencies needed to achieve public service objectives.

This theoretical imperative of SHRM is particularly salient in the context of public sector reform in Indonesia. For decades, the civil service (*Pegawai Negeri Sipil* or PNS) was characterised by a rigid, seniority-based system (Hardenta, 2024; Virnandes et al., 2024). However, since the turn of the century, Indonesia has embarked on an ambitious bureaucratic reform agenda. This national effort to shift to a merit-based, performance-oriented system of Human Resource Development (HRD) is as much a communicative challenge as it is a managerial one. It requires leaders to articulate a clear vision for change and foster buy-in across a vast bureaucracy. Despite national goals, implementation remains a challenge, with significant variation in the capacity and commitment of local governments to develop their human capital effectively.

The influence of HRD extends beyond individual performance to the cultivation of organisational culture. Culture, defined as the shared values and norms that guide behaviour, is shaped and sustained through communication (Y.-R. R. Chen et al., 2023; Curtis et al., 2010; Yeo & Pang, 2017). Therefore, a strategic approach to human resources is fundamentally communicative; it involves shaping culture through consistent messaging in training and transparent performance dialogues (Wright et al., 2001). This fosters an environment conducive to service innovation—the development of new or improved services to better meet public needs (Bello et al., 2024). In this research, we posit that employee performance and work culture, driven by communicatively astute local HRD efforts, are the core components of an internal engine that powers an organisation's innovative capacity.

While a powerful internal engine is necessary, it is not sufficient. The value generated internally must be communicated externally to build legitimacy and trust (Thelen, 2020; Welch & Jackson, 2007). This is the domain of Strategic Communication. Moving beyond one-way public information, strategic communication involves the purposeful use of communication to fulfil an organisation's mission, primarily through fostering two-way, symmetrical dialogue with the public (Lee, 2020; Tkalac Verčič, 2021). The advent of social media has revolutionised this landscape, creating direct channels between governments and citizens (Isnaini et al., 2022; Prabowo & Irwansyah, 2018; Putra, 2020). This allows for the 'co-creation' of public value, where citizens become active partners in governance (Harrison, 2023; Wilson, 2022). However, managing these channels strategically is a complex task that requires an integrated approach. In this study, the 'use of social media' is conceptualised not merely as the act of posting content, but as a proxy for the organisation's strategic intent to engage with its public stakeholders.

Despite the extensive literature on SHRM and Strategic Communication, a gap exists in understanding their integrated effect. SHRM literature often focuses on internal metrics, while communication literature focuses on external ones. We do not fully understand the mechanisms through which the internal world of the organisation (governed by HRD principles) connects with the external world of public value (governed by strategic communication). This study proposes that social media engagement is a key mediating variable in this relationship.

To test this model, this study focuses on a unique and highly relevant setting: the metropolitan area comprising the cities of Surabaya, Gresik, and Sidoarjo in Indonesia. This region serves as a microcosm of the nation's developmental and administrative challenges. Surabaya, the country's second-largest city, is nationally and internationally recognised as a pioneer in e-government and public service innovation. Its success is often attributed to strong leadership and a concerted effort in developing the capacity of its civil servants. Gresik and Sidoarjo, as major industrial and residential satellites, face immense pressure to match this pace of development. They are grappling with their own HRD challenges as they strive to modernise their services. Together, these three local governments represent a spectrum of the reform journey, providing a rich and comparative context to investigate how varying degrees of success in HR development impact the ability to leverage digital platforms for public value creation.

By answering our central research question within this setting, this study aims to make several key contributions. Theoretically, it seeks to bridge the gap between SHRM and strategic communication literature. Practically, the findings offer a clear message to public managers: developing human capital is only half the battle. To maximise public sector effectiveness, these internal strengths must be aligned with a sophisticated strategic communication strategy.

LITERATURE REVIEW

Strategic Human Resource Management as the Engine of Public Value

The contemporary paradigm of public administration posits that an organisation's most valuable assets are its human resources. Strategic Human Resource Management (SHRM) provides the framework for cultivating this asset, moving beyond administrative tasks to strategically align HR practices with organisational performance (M. Huang et al., 2024; Urbancová et al., 2024). The Resource-Based View (RBV) underpins this perspective, arguing that human capital—the collective knowledge, skills, and abilities of the workforce—can be a source of sustained competitive advantage if it is valuable, rare, and difficult to imitate (Dhrubo, 2025; Dhrubo et al., 2024). In the public sector, this 'advantage' is realised as enhanced public value, which encompasses not just efficiency but also citizen trust, equity, and service quality (Bello et al., 2024).

Recent scholarship emphasises that the effectiveness of SHRM lies in creating a coherent 'system' of practices. It is not individual HR policies (e.g., training, recruitment) in isolation, but their synergistic combination that fosters superior performance. (Bello et al., 2024) demonstrate that a well-integrated SHRM system has a significant positive effect on organisational performance, mediated by the development of intellectual capital. This suggests a clear pathway: strategic HR investments build the organisation's knowledge base, which in turn drives better outcomes. This is particularly critical for public sector organisations undergoing reform, where developing employee competencies is a prerequisite for adapting to new governance models.

Furthermore, SHRM is the primary mechanism through which organisational culture is shaped and maintained. Culture, understood as the shared values and norms guiding behaviour, is a powerful determinant of organisational effectiveness. (Dhrubo, 2025) found that a positive organisational culture, characterised by justice and fairness, plays a crucial moderating role in encouraging employee voice and discouraging organisational silence. When employees perceive their organisation as fair and supportive—a perception directly influenced by HR practices like transparent performance reviews and equitable rewards—they are more likely to engage constructively and contribute to organisational goals. This creates a 'communicative' culture where information flows freely, fostering an environment ripe for collaboration and innovation. Therefore, we can conceptualise employee performance and work culture as direct, intertwined outcomes of a strategic approach to human resource development.

Service Innovation in the Digital Governance Landscape

Service innovation: The development and implementation of new or significantly improved services is central to the mission of modern strategic communication (Ho, 2022; Shon et al., 2021). In an era of digital governance, innovation is often linked to the adoption of new technologies, but its roots are deeply organisational (Muniruddin et al., 2024; Rafa'al, 2017). The capacity to innovate is not random; it is cultivated by the internal environment, particularly the culture and competencies of the workforce. The framework proposed by (Anshari & Hamdan, 2023) for assessing digital governance highlights that public value is generated when technological capabilities are matched with institutional capabilities. This means that for a government to successfully innovate its services, it must first have the internal human infrastructure—skilled employees and a supportive culture—to manage change and embrace new ways of working (Anshari & Hamdan, 2023).

This link between internal capacity and innovation is critical. A culture that encourages experimentation, tolerates failure, and rewards creative problem-solving is essential for generating novel service ideas. The HR

practices championed by SHRM—such as providing autonomy, encouraging cross-departmental collaboration, and training in design thinking—are instrumental in building this innovative capacity. Without high-performing employees who are motivated and empowered, and a work culture that supports them, investments in technology are unlikely to yield significant improvements in public services. Thus, service innovation is not an independent variable but rather a direct consequence of a well-managed human resource system. It represents the tangible output of the 'internal engine' powered by employee performance and a dynamic work culture (Cho et al., 2023; Lai & Yu, 2022; Lim & Lee, 2022).

While SHRM builds internal capacity and fosters innovation, the value created remains latent until it is communicated and recognised by external stakeholders. Strategic communication serves as the bridge between the internal organisation and its external environment (Abitbol & VanDyke, 2023; Tutton & Brand, 2023; L. Wei & Diddi, 2022). In the context of digital governance, this involves moving beyond one-way information dissemination towards a model of dialogic engagement, where governments and citizens interact to co-create value (Bashir & Aldaihani, 2017; Gibson, 2023; Yudarwati & Gregory, 2022). Social media platforms are the primary arenas for this interaction. They provide public organisations with unprecedented opportunities to listen to citizen feedback, respond to inquiries, and demonstrate transparency and accountability.

However, the mere presence on social media is insufficient. Its effective use as a strategic tool is what determines its impact. Yudarwati & Gregory (2022) found that while many public institutions use social media, few leverage its full dialogic potential. Effective engagement requires a strategic intent to build relationships, a commitment to responsiveness, and the allocation of resources to manage these channels professionally. When used strategically, social media can amplify the impact of internal strengths. For example, a new, innovative public service (the product of a strong internal culture) can be launched and explained on social media, its benefits communicated, and citizen feedback gathered for further improvement. This interactive process not only improves the service but also builds trust and legitimacy, enhancing the public's perception of the government's overall performance.

This positions social media engagement as a critical mediating variable. It is the mechanism through which the outputs of the organisation's internal engine—a high-performing workforce, a positive culture, and innovative services—are translated into enhanced public sector performance. The internal strengths (e.g., culture, innovation) drive the organisation to adopt and use social media more effectively, and this effective use, in turn, leads to better outcomes. This perspective helps to resolve the 'black box' of how internal management practices connect to external performance in the digital age.

Synthesis and Hypotheses Development

The literature reviewed reveals three distinct but interconnected streams of research. The SHRM literature establishes a clear link between strategic HR practices, employee performance, and organisational culture. The public sector innovation literature shows that this internal capacity is a prerequisite for developing new and improved services. Finally, the strategic communication literature highlights the role of social media in engaging stakeholders and co-creating public value. However, a significant gap remains in integrating these three streams into a single, empirically testable model.

This study seeks to fill that gap by proposing a model where employee performance and work culture act as foundational assets. These assets enable service innovation, and together, these internal capabilities drive the strategic use of social media. Crucially, we hypothesise that this strategic social media engagement acts as a powerful mediator, significantly amplifying the effect of these internal strengths on the overall performance of the public sector organisation. This integrated model provides a more holistic understanding of how public value is created in the complex environment of 21st-century digital governance.

METHODOLOGY

Research Design and Approach

This research utilises a quantitative, cross-sectional design to empirically evaluate the proposed theoretical model. A quantitative methodology was used for its appropriateness in analysing the causal links among the specified latent variables: employee performance, work culture, service innovation, social media utilisation, and regional apparatus performance (Barnham, 2015; Zyphur & Pierides, 2017). The cross-sectional nature of the design allows for the collection of data at a single point in time to analyse the interplay of these variables as they currently exist within the selected organisations. This approach aligns with the study's objective of explaining the variance in public sector performance based on the predictive power of the internal and mediating variables. The research is grounded in a positivist philosophy, aiming to objectively measure phenomena and test the formulated hypotheses.

Population, Sampling, and Data Collection

The research's target demographic consisted of civil service employees (Aparatur Sipil Negara) in the local governments of the metropolitan areas of Surabaya, Gresik, and Sidoarjo, Indonesia. These cities were chosen to show a comprehensive range of public sector reform and development within a main Indonesian economic centre. A purposive sampling technique was utilised to select a final sample of 150 employees. The sampling was targeted at employees working in departments directly related to public service delivery, strategic planning, innovation, and communication or public relations. This non-probability method was deemed appropriate to ensure that the respondents possessed relevant knowledge and experience regarding the study's core concepts, thereby enhancing the quality and relevance of the collected data. Data collection was conducted through the administration of a structured questionnaire over a two-month period, from March to April 2025.

Data Validation and Analysis

All constructs in the research model were measured using multi-item scales adapted from previously validated research in high-impact journals, ensuring strong content and construct validity. A 7-point Likert scale (ranging from 1 = "Strongly Disagree" to 7 = "Strongly Agree") was used for all measurement items. The latent variables included: Employee Performance (X1), Work Culture (X2), Service Innovation (X3), Social Media Engagement (Z), and Regional Apparatus Performance (Y). Before full-scale deployment, the questionnaire was translated into Indonesian and back-translated into English to ensure linguistic equivalence. A pilot test was conducted with 20 public employees (not included in the final sample) to check for clarity, comprehensibility, and initial reliability of the measurement items.

The data were analysed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with the SmartPLS 4 software. PLS-SEM was selected as the most appropriate analytical technique for several reasons: (1) it is a prediction-oriented approach, which aligns with the study's goal of explaining variance in the dependent variable (Regional Apparatus Performance); (2) it is robust with non-normal data and performs well with sample sizes common in management research; and (3) it is highly effective at handling complex models involving multiple direct and indirect (mediating) paths.

The analysis followed the established two-stage procedure: Evaluation of the Measurement Model: The first stage assessed the quality of the measures. This involved examining: Indicator Reliability: Ensuring outer loadings of all items were above the recommended threshold of 0.7. Internal Consistency Reliability: Verifying that Composite Reliability (CR) values for all constructs were above 0.7. Convergent Validity: Confirming that the Average Variance Extracted (AVE) for each construct was greater than 0.5. Discriminant Validity: Assessed using the Heterotrait-Monotrait (HTMT) ratio of correlations, with all values required to be below the conservative threshold of 0.85.

Evaluation of the Structural Model: Once the measurement model was deemed reliable and valid, the second stage evaluated the relationships between the constructs. This included: Path Coefficient Analysis: Examining the standardised beta (β) coefficients to determine the strength and direction of the hypothesised relationships. Hypothesis Testing: A bootstrapping procedure with 5,000 resamples was run to generate t-statistics and p-values for all paths. Hypotheses were supported if p-values were less than 0.05 ($t > 1.96$). Analysis of Mediating Effects: The significance of the indirect paths involving Social Media Engagement as a mediator was specifically tested using the results from the bootstrapping procedure.

RESULT AND DISCUSSION

This section presents the empirical findings of the study. It begins with a descriptive overview of the respondent sample, followed by a detailed report on the assessment of the measurement model and the structural model using Partial Least Squares Structural Equation Modelling (PLS-SEM). The final part details the results of hypothesis testing for both direct and indirect (mediating) effects.

Demographics of Respondents

The final sample included 150 civil servants from Surabaya, Gresik, and Sidoarjo local administrations. The study's conclusions are contextualised by respondents' demographics. With 61.3% female and 39.7% male, the sample was mostly female. The sample included early-, mid-, and senior-career workers. At 46%, employees 45 and older were the largest demographic. This shows that these government entities have many experienced, long-serving employees. Younger employees aged 20-24 (20.7%) were the second-largest group, reflecting a new civil service generation. The remaining age groups were 40-44 (13.3%), 25-29 (8%), 30-34 (7.3%), and 35-39 (4.7%).

The sample's high education level reflects the civil service's professionalism. A Bachelor's degree (S1) was the highest qualification for 45% of respondents. Many had postgraduate degrees, with 16% having a Master's (S2)

and 9% a Doctorate (S3). 25% of the sample had a high school diploma (SMA/SMK), whereas 5% had a diploma (D1/D2/D3). Most respondents were married, with 43.3% married and 22% married with children. Unmarried respondents made up 28% of the sample, while divorced or widowed respondents made up 6.7%. Lastly, monthly household expenditure showed a variety of economic origins. Most (34.7%) spent IDR 3,000,000–IDR 5,999,000. Following this were those with spending under IDR 3,000,000 (22.7%) and between IDR 6,000,000 and IDR 8,999,999 (16.7%), with smaller percentages reporting higher expenditures.

Measurement Model Assessment

The reliability and validity of the measurement model were rigorously assessed before evaluating the structural model. As outlined in the methodology, this involved examining indicator reliability, internal consistency, convergent validity, and discriminant validity. The results confirmed the quality of the measurement model. Indicator reliability was established, as the outer loadings for all measurement items exceeded the recommended threshold of 0.70, as detailed in Table 1. For instance, the lowest loading for Employee Performance (X1) was 0.731, and the lowest for Social Media Engagement (Z) was 0.871, indicating that all items were strong measures of their respective latent constructs.

Internal consistency reliability was affirmed by examining the Composite Reliability (CR) values. As shown in Table 2, the CR values for all constructs were well above the 0.70 benchmark: Work Culture (0.961), Service Innovation (0.938), Employee Performance (0.946), Regional Apparatus Performance (0.940), and Social Media Engagement (0.951). These high values indicate that the measurement scales for each construct are highly reliable. Convergent validity, which assesses the degree to which a measure correlates positively with alternative measures of the same construct, was confirmed through the Average Variance Extracted (AVE). Table 1 shows that the AVE for every construct surpassed the required minimum of 0.50: Work Culture (0.757), Service Innovation (0.753), Employee Performance (0.746), Regional Apparatus Performance (0.798), and Social Media Engagement (0.796). This demonstrates that, on average, more than 74% of the variance in the items was explained by their respective constructs.

Table 1. Composite Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Work Culture (X2)	0,954	0,954	0,961	0,757
Service Innovation (X3)	0,918	0,922	0,938	0,753
Employee Performance (X1)	0,931	0,936	0,946	0,746
Regional Apparatus Performance (Y)	0,916	0,919	0,940	0,798
Social Media (Z)	0,936	0,937	0,951	0,796

Discriminant validity was established, confirming that each latent construct was distinct from the others in the model. This ensures that the findings are not confounded by overlapping concepts. With the measurement model demonstrating strong reliability and validity, the analysis proceeded to the evaluation of the structural model (See Figure 1).

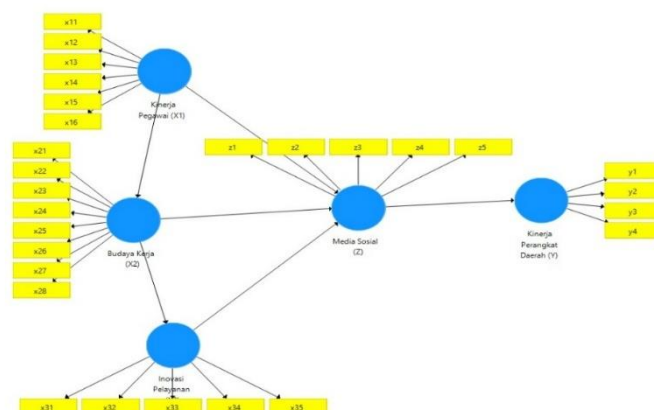


Figure 1. Research Framework

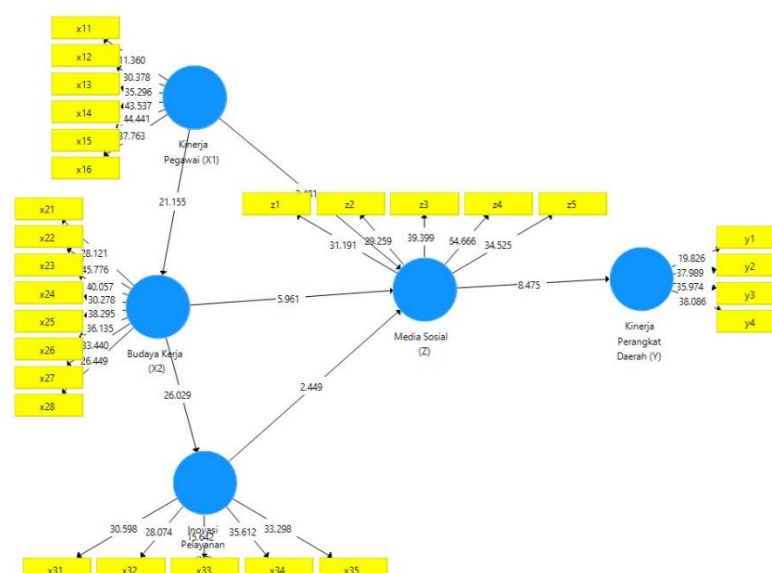


Figure 2. Outer Model Framework

Structural Model and Hypothesis Testing

The structural model was assessed to determine the predictive power of the model and to test the hypothesised relationships. The results for the direct and indirect effects are presented below.

Direct Effects

The path coefficients, t-statistics, and p-values for the direct relationships are presented in [Table 2](#). The bootstrapping procedure with 5,000 resamples was used to test the significance of these paths.

Table 2. Path Coefficient Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Work Culture (X2) -> Service Innovation (X3)	0,816	0,820	0,031	26,029	0,000
Work Culture (X2) -> Social Media (Z)	0,521	0,511	0,087	5,961	0,000
Service Innovation (X3) -> Social Media (Z)	0,212	0,216	0,086	2,449	0,015
Employee Performance (X1) -> Work Culture (X2)	0,812	0,811	0,038	21,155	0,000
Employee Performance (X1) -> Social Media (Z)	0,198	0,205	0,080	2,481	0,013
Social Media (Z) -> Regional Apparatus Performance (Y)	0,729	0,726	0,086	8,475	0,000

Employee Performance (X1) -> Work Culture (X2): This path was found to be exceptionally strong and highly significant ($\beta = 0.812$, $T = 21.155$, $p = 0.000$). This indicates that higher levels of employee performance are a powerful predictor of a more positive and effective work culture. Work Culture (X2) -> Service Innovation (X3): This relationship was also very strong and highly significant ($\beta = 0.816$, $T = 26.029$, $p = 0.000$), supporting the hypothesis that a robust work culture is a critical driver of service innovation within the public sector.

Employee Performance (X1) -> Social Media Engagement (Z): This path was positive and statistically significant ($\beta = 0.198$, $T = 2.481$, $p = 0.013$). This suggests that higher-performing employees contribute to more effective organisational use of social media. Work Culture (X2) -> Social Media Engagement (Z): This path demonstrated a strong, positive, and highly significant influence ($\beta = 0.521$, $T = 5.961$, $p = 0.000$). This is a key finding, indicating that organisational culture is a major determinant of how strategically social media is leveraged.

Service Innovation (X3) -> Social Media Engagement (Z): The influence of service innovation on social media engagement was positive and significant ($\beta = 0.212$, $T = 2.449$, $p = 0.015$). This supports the idea that innovative organisations are more likely to use social media effectively to communicate their new services. Social Media

Engagement (Z) → Regional Apparatus Performance (Y): This path, representing the final link in the model, was found to be very strong, positive, and highly significant ($\beta = 0.729$, $T = 8.475$, $p = 0.000$). This result powerfully supports the central argument that strategic social media engagement is a critical driver of overall public sector performance. All direct path hypotheses were supported by the data, confirming the foundational relationships proposed in the research model (Figure 1 and Figure 2).

Indirect (Mediating) Effects

The analysis of specific indirect effects was crucial for testing the mediating role of the variables, particularly Social Media Engagement. The results confirmed several significant mediation paths. The path from Work Culture (X2) → Social Media (Z) → Regional Apparatus Performance (Y) was strong and highly significant ($\beta = 0.380$, $T = 4.493$, $p = 0.000$). This demonstrates that social media acts as a powerful mediator, translating the positive effects of a strong work culture into tangible improvements in organisational performance. Similarly, the path from Employee Performance (X1) → Social Media (Z) → Regional Apparatus Performance (Y) was positive and significant ($\beta = 0.144$, $T = 2.500$, $p = 0.013$).

This shows that social media also serves as a conduit through which individual employee performance can influence broader organisational outcomes. The analysis also revealed more complex, multi-step mediation paths. For instance, the path from Employee Performance (X1) → Work Culture (X2) → Social Media (Z) → Regional Apparatus Performance (Y) was significant ($\beta = 0.308$, $T = 4.403$, $p = 0.000$). This finding illustrates a complete causal chain: high-performing employees build a strong culture, which drives effective social media use, ultimately leading to enhanced organisational performance. These results provide robust empirical support for the mediating role of social media, confirming its function as a strategic bridge between internal organisational capabilities and external performance outcomes.

The Primacy of the Internal Engine: Performance, Culture, and Innovation

The study's findings unequivocally affirm the critical importance of an organisation's internal capabilities. The exceptionally strong and significant relationship between Employee Performance and Work Culture ($\beta = 0.812$) and between Work Culture and Service Innovation ($\beta = 0.816$) provides a powerful empirical narrative. It suggests that efforts to foster innovation or improve culture in isolation are likely to fail. Instead, a sequential, integrated approach is required. It begins with developing the individual competencies and performance of employees. As argued by the literature on SHRM, a high-performing workforce does not just complete tasks efficiently; it actively co-creates a more dynamic and positive organisational culture (M. Huang et al., 2024; Urbancová et al., 2024).

This finding has profound implications for the Indonesian public sector context. The ongoing bureaucratic reforms aimed at shifting from a seniority-based to a merit-based system are validated by this result. It shows that investing in performance management, targeted training, and fair reward systems is the foundational step towards building a modern, effective civil service. The strong link between Work Culture and Service Innovation further reinforces this. Our results show that a culture built on the foundation of high performance—likely one that values competence, collaboration, and psychological safety, as suggested by Dhrubo (2025)—is the fertile ground in which service innovation can flourish. In the context of Surabaya, Gresik, and Sidoarjo, this suggests that the ability of a local government to develop innovative public services is less about its technological budget and more about the health of its internal work environment, which starts with its people.

From Internal Capacity to Digital Strategy: Driving Social Media Engagement

A central contribution of this study is its demonstration that strategic social media use is not an isolated communications function but an outcome of deeper organisational capacities. All three internal variables—Employee Performance, Work Culture, and Service Innovation—were found to be significant predictors of Social Media Engagement. The strongest of these predictors was Work Culture ($\beta = 0.521$). This compelling result suggests that an organisation's culture is the most critical factor in determining whether it uses social media as a strategic engagement tool or merely as a passive, one-way notice board.

This aligns with the arguments of Chen (2009), who noted that many public institutions fail to use social media dialogically. Our study provides an explanation for this phenomenon: a dialogic, responsive social media presence is a reflection of an internal culture that is itself open, responsive, and non-hierarchical. An organisation that is siloed and bureaucratic internally cannot suddenly become open and collaborative externally on its social media channels. Therefore, public managers seeking to improve their digital engagement must first look inward. The path to effective external communication runs directly through the cultivation of a healthy internal work culture.

Social Media as a Strategic Mediator of Public Value

The most significant finding of this study is the powerful mediating role of Social Media Engagement. The strong, significant path from Social Media Engagement to Regional Apparatus Performance ($\beta = 0.729$) confirms that effective digital engagement is a primary driver of public sector performance in the modern era. More importantly, the significant indirect effects demonstrate that social media acts as a crucial mechanism for translating internal strengths into external value.

This empirically validates the conceptual framework of the study, bridging the gap between the internal world of SHRM and the external world of strategic communication. It shows how a good work culture leads to better performance: by enabling the organisation to engage more effectively with its stakeholders online. It shows how employee performance contributes to overall success: by providing the human capital necessary to sustain a meaningful digital presence. This finding extends the public value framework of Wilson (2022) by operationalising a key mechanism for co-creation. Social media is not just a tool for disseminating information about value created internally; it is the platform where that value is co-created, validated, and amplified through dialogue with citizens. For the governments of Surabaya, Gresik, and Sidoarjo, this means that even the most innovative internal service improvement will have a limited impact on perceived performance unless it is communicated and discussed effectively with the public through digital channels.

Theoretical and Practical Implications

Theoretically, this study makes several contributions. First, it provides a rare empirical integration of SHRM and strategic communication theories within a single model, demonstrating their symbiotic relationship. Second, it advances Public Value Theory by identifying and testing a specific digital mediation mechanism, showing how social media engagement translates internal capacities into public-facing outcomes. Third, it offers a nuanced and testable model of digital governance that moves beyond technological determinism to highlight the primacy of human and cultural factors.

Practically, the implications for public sector managers are clear and actionable. **Invest in People First:** The journey to high performance begins with strategic human resource development. This should be the top priority for local governments seeking to modernise. **Cultivate an Open Culture:** Managers must actively foster a work culture that is collaborative, transparent, and values employee voice. This internal culture is a prerequisite for effective external communication.

Treat Social Media as a Core Management Function: Social media cannot be a peripheral task. It must be integrated into the core strategy of the organisation, staffed by skilled professionals, and seen as a vital tool for stakeholder engagement and performance management. **Integrate, Don't Isolate:** The findings call for breaking down the silos between HR, communications, and service delivery departments. A holistic, integrated management approach is essential for creating public value in the 21st century.

CONCLUSIONS

This study set out to illuminate the complex process through which public value is generated in the digital age. The findings provide compelling empirical evidence for an integrated causal pathway, demonstrating that the journey to enhanced public sector performance begins with an organisation's internal capabilities. We have shown that high-performing employees are the bedrock upon which a strong, innovative work culture is built. In turn, these internal assets—a skilled workforce, a supportive culture, and a capacity for innovation—drive the strategic adoption and use of social media. The central contribution of this research, however, lies in its demonstration of the powerful mediating role of digital engagement. Social media is not merely a peripheral channel for announcements but a core strategic mechanism that translates internal strengths into tangible, public-facing performance outcomes.

While this research offers a significant contribution, it is important to acknowledge its limitations. The cross-sectional design captures a snapshot in time and does not allow for the inference of causality with the same confidence as a longitudinal study. The use of purposive sampling, while appropriate for the study's aims, limits the generalisability of the findings beyond the specific context of the three Indonesian cities investigated. Furthermore, the reliance on employee self-reports for all variables introduces the possibility of common method bias.

Despite these constraints, the study's core message remains robust and clear. For public managers and leaders, the findings serve as a call to action to dismantle the traditional silos that separate human resources, communications, and service delivery. Creating public value in the 21st century is not about excelling in one domain but about mastering the interplay between them. The path forward requires an integrated management philosophy where developing human capital and cultivating a dynamic internal culture are seen as inseparable from the strategy

of engaging with citizens in the digital sphere. As future research expands on this model with longitudinal data and objective performance metrics, the fundamental principle underscored by this study will likely hold true: the most effective governments of the digital era will be those that build a seamless bridge between how they manage their people internally and how they communicate with their public externally.

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