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SYNERGY OF ASSET MANAGEMENT SYSTEM AND REGULATORY COMPLIANCE ON DRINKING WATER ORGANIZATION SUSTAINABILITY: THE ROLE OF SERVICE CONTINUITY AS A MEDIATOR

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Abstract: This study aims to analyze the effect of Asset Management System and Regulatory Compliance on organizational sustainability through Service Continuity as a mediating variable in Community-Based Water Supply and Sanitation Management Groups (KPSPAMS) in East Java. This research employed a quantitative approach using Structural Equation Modeling (SEM) with the assistance of IBM SPSS AMOS AMOS. The population consisted of 1,016 KPSPAMS administrators, with 170 respondents selected using proportional random sampling. Data were collected through questionnaires using a Likert scale. The results showed that Asset Management System and Regulatory Compliance had positive and significant effects on Service Continuity and organizational sustainability. Service Continuity also had a significant effect on organizational sustainability. Furthermore, the Sobel Test indicated that Service Continuity significantly mediated the relationship between Asset Management System and organizational sustainability, as well as the relationship between Regulatory Compliance and organizational sustainability. These findings indicate that sustainable water service continuity plays an important role in strengthening organizational sustainability in community-based drinking water management organizations.

Keywords: Asset Management System, Regulatory Compliance, Service Continuity, Organizational sustainability, KPSPAMS.

INTRODUCTION

The availability of safe and sustainable drinking water is one of the basic needs of society and an important part of achieving sustainable development. Access to drinking water services is not only related to public health, but also associated with quality of life, economic productivity, and social stability in rural areas. According to the World Health Organization and United Nations Children's Fund (2023), the sustainability of drinking water supply systems remains a major challenge in developing countries because many water management organizations still face limitations in governance, infrastructure, and operational capacity. In the Indonesian context, community-based drinking water services through Community-Based Water Supply and Sanitation Management Groups (KPSPAMS) play a strategic role in supporting the provision of clean water for rural communities.

KPSPAMS is a management institution established to operate, maintain, and develop community-based drinking water supply and sanitation systems. However, in practice, many KPSPAMS face various challenges such as damaged infrastructure assets, weak maintenance systems, limited human resources, and low compliance with drinking water management regulations. These conditions disrupt service continuity and reduce long-term organizational sustainability. According to the Ministry of Public Works and Housing of the Republic of Indonesia

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(2022), the sustainability of community-based drinking water services is strongly influenced by the organization's ability to manage assets and maintain service quality consistently.

One of the important factors in supporting the sustainability of drinking water service organizations is the implementation of an Asset Management System. According to the International Organization for Standardization through ISO 55000 (2014), asset management refers to coordinated organizational activities to realize value from assets. A good asset management system enables organizations to effectively plan, utilize, maintain, and control assets, thereby minimizing the risk of asset failure and service disruption. Research by Sangjong Han et al. (2015) showed that the implementation of asset management in water utilities significantly improves service quality and the sustainability of drinking water organizations. Through proper asset management, organizations can maintain operational efficiency while ensuring continuous water availability for the community.

In addition to asset management, Regulatory Compliance is also an important factor in supporting public service governance. Regulatory compliance reflects the organization's ability to conduct operations in accordance with applicable standards, rules, and government policies. According to Geoffrey P. Miller (2017), compliance with regulations can improve organizational accountability and minimize legal and operational risks. In the context of community-based drinking water management, regulatory compliance includes drinking water service standards, sanitation management, water quality, and institutional governance. Research conducted by Assela Pathirana et al. (2018) explained that water management organizations implementing governance in accordance with regulations tend to have more stable and sustainable service performance.

The sustainability of KPSPAMS organizations is also strongly influenced by the organization's ability to maintain Service Continuity. Service continuity refers to the organization's ability to ensure that drinking water services continue without interruption under various operational conditions. According to the International Organization for Standardization through ISO 22301 (2019), service continuity is an important aspect of maintaining organizational resilience against operational disruptions. Consistent 24-hour drinking water service is an important indicator for maintaining public trust and the sustainability of community-based drinking water organizations. Research by Ahmed Serag et al. (2020) demonstrated that service continuity has a significant relationship with the effectiveness of water supply system management and the sustainability of public service organizations.

The relationship between Asset Management System, Regulatory Compliance, and organizational sustainability is expected to become stronger when organizations are able to maintain optimal service continuity. Service Continuity is viewed as a factor that can strengthen the effectiveness of asset management and regulatory compliance in achieving organizational sustainability. When water services operate stably, communities will have a high level of trust in the management organization, thereby supporting the long-term operational and institutional sustainability of KPSPAMS.

Research by Assela Pathirana et al. (2018), entitled Fit-for-Purpose Infrastructure Asset Management Framework for Water Utilities Facing High Uncertainties, showed that the implementation of infrastructure asset management in water utilities can maintain continuity of service levels in drinking water supply systems. This study confirmed that effective asset management positively affects the continuity of drinking water service organizations.

Research by Tiffany Batac et al. (2021), entitled An Enabling Environment for Asset Management through Public Policy: The Benefits of Standardization and Application to the Water

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Sector, found that compliance with public policies and regulatory standardization in the water sector contributes to the sustainability and stability of water services. Regulations serve as an important foundation in maintaining the quality and continuity of drinking water services.

Research by Edurne Loyarte et al. (2024), entitled Continuity Governance Model: A New Process Stage in the BCM System that Underpins Organizational Resilience, showed that business continuity has a significant influence on organizational resilience and sustainability. Organizations capable of maintaining service continuity tend to achieve better operational sustainability.

Research by Sangjong Han et al. (2015), entitled Sustainable Water Infrastructure Asset Management: A Gap Analysis of Customer and Service Provider Perspectives, found that water infrastructure asset management influences the sustainability of water services and water service organizations. Effective asset management helps organizations achieve operational sustainability and user satisfaction.

Research by Geoffrey P. Miller (2017) in The Law of Governance, Risk Management, and Compliance explained that compliance with regulations and organizational governance is a key factor in maintaining organizational stability and sustainability. Regulatory compliance helps organizations maintain legitimacy and long-term operational continuity.

Research by Ahmed Serag et al. (2020), entitled Level of Service-Based Asset Management Framework for Water Supply Systems, showed that a service-level-based asset management system can improve the sustainability of water supply systems through improved service quality and continuity. The findings support the role of service continuity as a mediator between asset management and organizational sustainability.

Research by Tiffany Batac et al. (2021) showed that public policy, standardization, and regulatory compliance in the water sector play important roles in supporting service continuity and organizational sustainability of water service providers. This study supports the idea that service continuity can mediate the relationship between regulatory compliance and organizational sustainability.

Based on the explanation above, this study aims to analyze the effect of Asset Management System and Regulatory Compliance on the organizational sustainability of KPSPAMS with Service Continuity as a mediating variable. This research is expected to provide theoretical contributions to the development of community-based drinking water service governance studies and practical recommendations for KPSPAMS managers in strengthening organizational sustainability and drinking water service continuity in rural areas.

Research Variables

X1. Asset Management System

According to John D. Campbell and James V. Reyes-Picknell (2015), an Asset Management System is an integrated approach to managing organizational assets effectively and efficiently through the processes of asset planning, operation, maintenance, control, and evaluation in order to support the achievement of organizational objectives and maintain service sustainability. The asset management system aims to ensure that assets are utilized optimally, have a long service life, and provide added value to the organization.

The indicators of Asset Management System according to Campbell and Reyes-Picknell (2015) include:

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1. Asset Planning

The organization's ability to plan asset needs and asset development in accordance with service objectives.

2. Asset Control

The process of supervising and managing assets to ensure they are utilized effectively and according to their functions.

3. Asset Maintenance

Routine maintenance activities conducted to maintain asset condition and performance at an optimal level.

4. Asset Utilization Efficiency

The level of organizational effectiveness in utilizing assets to support service operations.

5. Asset Reliability

The ability of assets to operate consistently and with minimal disruptions during use.

6. Asset Performance Evaluation

The process of assessing asset conditions, functions, and contributions toward organizational objectives.

X2. Regulatory Compliance

According to Geoffrey P. Miller (2017), Regulatory Compliance refers to the level of organizational adherence to applicable regulations, policies, standards, and legal provisions in carrying out operational activities. Regulatory compliance aims to ensure that organizations operate legally, accountably, transparently, and are able to minimize legal and operational risks. In the context of public service organizations such as KPSPAMS, Regulatory Compliance is related to compliance with drinking water service standards, institutional governance, sanitation management, and government regulations regarding community-based clean water services.

The indicators of Regulatory Compliance according to Miller (2017) include:

1. Complianc with Regulations

The level of organizational conformity in conducting operations in accordance with government regulations and policies.

2. Compliance with Operational Standards

The organization's ability to implement established procedures and service standards.

3. Documentation and Reporting

The completeness of administration, recordkeeping, and organizational activity reporting in accordance with regulations.

4. Compliance Monitoring and Control

Organizational efforts to monitor and ensure that all activities comply with applicable provisions.

5. Legal Risk Management

The organization's ability to identify and minimize the risk of legal or regulatory violations.

6. Organizational Accountability

The organization's responsibility to provide services transparently and accountably.

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Z. Service Continuity

According to the International Organization for Standardization through ISO 22301 (2019), Service Continuity refers to the organization's ability to maintain services and recover quickly when operational disruptions occur. In this study, the indicators used include:

1. Service Availability

   The organization's ability to provide drinking water services continuously.
2. Operational Service Reliability

   The operational stability of the system in supporting drinking water service distribution.
3. Service Recovery Speed

   The organization's ability to restore services after disruptions occur.
4. Preparedness for Disruptions

   The organization's readiness to face risks or operational emergency conditions.
5. Service Quality Consistency

   The organization's ability to maintain service quality sustainably.

Y. Organizational sustainability

According to Sooksan Kantabutra and Nuttasorn Ketprapakorn (2020), organizational sustainability refers to an organization's ability to maintain operational continuity, service quality, organizational resilience, and long-term goal achievement through adaptive, effective, and sustainability-oriented management. In the context of KPSPAMS, organizational sustainability reflects the institution's ability to maintain drinking water service operations, sustain public trust, and ensure that the organization continues to operate independently and stably in the long term.

The indicators of organizational sustainability according to Kantabutra and Ketprapakorn (2020) that can be used in this study include:

1. Operational Sustainability

   The organization's ability to continuously provide drinking water services.
2. Organizational Resilience

   The organization's ability to face changes and operational disruptions.
3. Service Quality Sustainability

   The organization's ability to maintain the quality of services provided to the community.
4. Organizational Adaptability

   The organization's ability to adapt to environmental changes and community needs.
5. Stakeholder Trust

   The level of trust from the community and related parties toward the drinking water service management organization.

METHODS

This study employed a quantitative approach with an explanatory research design aimed at analyzing the influence of Asset Management System and Regulatory Compliance on organizational sustainability, with Service Continuity as a moderating variable in Community-Based Water Supply and Sanitation Management Groups (KPSPAMS). A quantitative approach was used because this study focused on empirically testing the relationships among variables through statistical analysis.

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Population generally refers to subjects or objects possessing certain characteristics or qualities determined by the researcher as the basis for further research understanding (Sudaryono, 2018). The population in this study consisted of KPSPAMS administrators throughout East Java Province that were classified as functioning properly, totaling 1,016 KPSPAMS.

The sampling technique used in this study was probability sampling with the proportional random sampling method, which selects samples based on equal proportions for each group or stratum (Ali Muhson, 2015). In this study, the sampling of KPSPAMS administrators was determined using the Slovin formula as follows:

$$n=\frac{N}{N.d^2+1}$$

Descriptions:

n : number of samples	d	: Precicion level

N	: total population	1	: Constant

Based on the formula above, the sample size from the total population can be calculated as follows:

$$N=\frac{1016}{1016(0,07)^2+1}=170$$

Based on the calculation above, the minimum sample size in this study was determined using a precision level of α = 0.07 (93% confidence level), resulting in a sample size of 170 respondents. Furthermore, the number of samples for each regency in East Java where the KPSPAMS organizations were located was calculated proportionally for each group by dividing the total KPSPAMS population in each regency by the total KPSPAMS population and multiplying it by the total required sample size.

$$n_k = \frac{TPk}{TP} x\ n$$

Descriptions:

n_k : Sample size for each group	TPk	: Total population of each group

n : Total sample size	TP : Total population

The proportional sample calculation for each group is presented in the following table:

Table 1. Research Sample

No	Regency	KPSPAMS/Regency Population	KPSPAMS Sample
1	Pacitan	28	4
2	Ponorogo	33	6
3	Trenggalek	34	6
4	TlAgung	12	2
4	Blitar	45	8
5	Kediri	34	6

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No	Regency	KPSPAMS/Regency Population	KPSPAMS Sample
6	Malang	34	6
7	Lumajang	36	6
8	Jember	41	7
9	Bondowoso	40	7
10	Situbondo	34	6
11	Probolinggo	39	7
12	Pasuruan	37	6
13	Sidoarjo	33	6
14	Mojokerto	46	9
15	Jombang	26	4
16	Nganjuk	33	6
17	Madiun	32	5
18	Magetan	24	4
19	Ngawi	28	4
20	Bojonegoro	48	8
21	Tuban	33	6
22	Lamongan	58	9
23	Gresik	40	6
24	Bangkalan	38	6
25	Sampang	45	7
26	Pamekasan	39	6
27	Sumenep	46	8
Total		1016	170

Data collection was conducted through the distribution of questionnaires using a 1–5 Likert scale, ranging from strongly disagree to strongly agree. The research instrument was developed based on the indicators of each variable, namely Asset Management System referring to John D. Campbell and James V. Reyes-Picknell (2015), Regulatory Compliance referring to Geoffrey P. Miller (2017), Service Continuity referring to the International Organization for Standardization ISO 22301 (2019), and organizational sustainability referring to Sooksan Kantabutra and Nuttasorn Ketprapakorn (2020).

Data analysis was conducted using covariance-based Structural Equation Modeling (SEM) with the assistance of IBM SPSS AMOS AMOS software. The stages of analysis included:

1. Validity test
2. Instrument reliability test
3. Data normality test

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4. Goodness of fit model test
5. Testing causal relationships among variables
6. Moderation test

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Conceptual Diagram

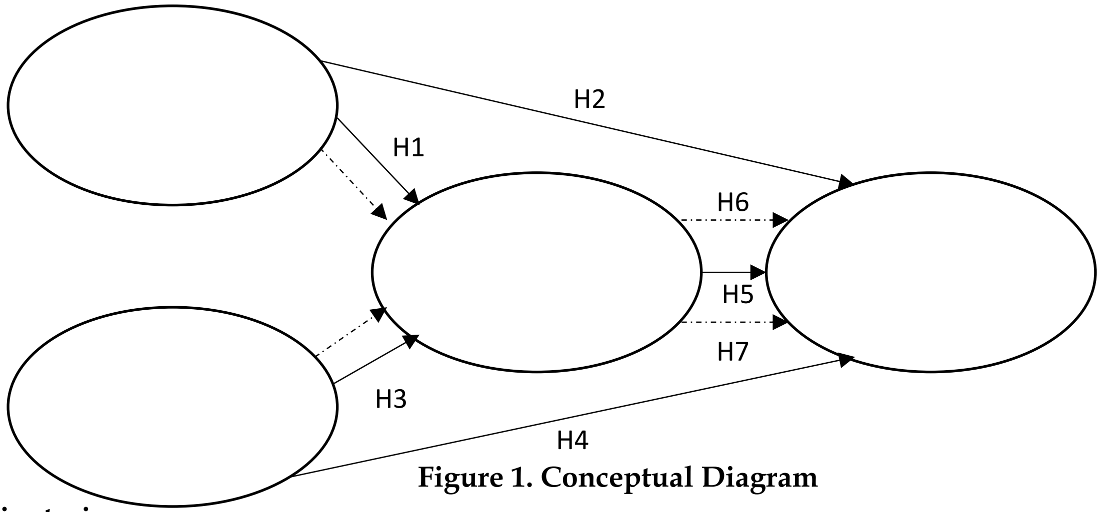

Figure 1. Conceptual Diagram

Hipotesis :

H1 : Asset Management System has a positive and significant effect on Service Continuity in KPSPAMS.

H2 : Regulatory Compliance has a positive and significant effect on Service Continuity in KPSPAMS.

H3 : Service Continuity has a positive and significant effect on organizational sustainability in KPSPAMS.

H4 : Asset Management System has a positive and significant effect on organizational sustainability in KPSPAMS.

H5 : Regulatory Compliance has a positive and significant effect on organizational sustainability in KPSPAMS.

H6 : Service Continuity mediates the effect of Asset Management System on organizational sustainability in KPSPAMS.

H7 : Service Continuity mediates the effect of Regulatory Compliance on organizational sustainability in KPSPAMS.

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RESULT AND DISCUSSION

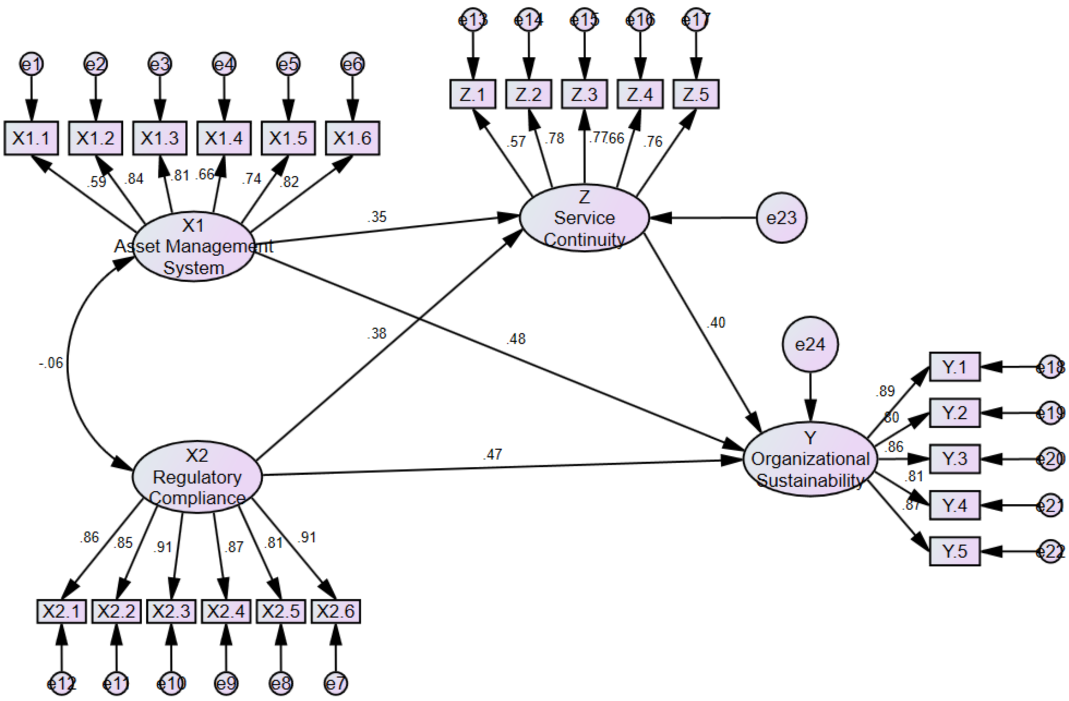

Figure 2. Result SEM AMOS

Validity Test (Confirmatory Factor Analysis)

Table 2. Confirmatory Factor Analysis (CFA)

Variable	Indicator	Loading Factor	Descriptions
Asset Management System	X1.1	0,59	Valid
	X1.2	0,84	Valid
	X1.3	0,81	Valid
	X1.4	0,66	Valid
	X1.5	0,74	Valid
	X1.6	0,82	Valid
Regulatory Compliance	X2.1	0,86	Valid
	X2.2	0,85	Valid
	X2.3	0,91	Valid
	X2.4	0,87	Valid
	X2.5	0,81	Valid
	X2.6	0,91	Valid
Service Continuity	Z.1	0,57	Valid

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Variable	Indicator	Loading Factor	Descriptions
	Z.2	0,78	Valid
	Z.3	0,77	Valid
	Z.4	0,66	Valid
	Z.5	0,76	Valid
Organizational Sustainability	Y.1	0,89	Valid
	Y.2	0,80	Valid
	Y.3	0,86	Valid
	Y.4	0,81	Valid
	Y.5	0,87	Valid

The CFA test results indicate that all indicators have loading factor values above 0.50, therefore they are considered valid and capable of representing the research variable constructs. According to Joseph F. Hair Jr. et al. (2021), indicators are considered valid when they have loading factor values ≥ 0.50.

Reliability Test

Table 3. Relibility Test

Variable	Cronbach's Alpha	Descriptions
Asset Management System	0,873	Reliabel
Regulatory Compliance	0,941	Reliabel
Service Continuity	0,824	Reliabel
Organizational sustainability	0,918	Reliabel

The highest Cronbach's Alpha value was found in the Regulatory Compliance variable with a value of 0.941, indicating a very high level of indicator consistency. Meanwhile, all other variables also demonstrated high reliability values, indicating that the research instrument was appropriate for use in Structural Equation Modeling (SEM) analysis.

Normalities Test

The normality test was conducted to determine whether the research data were normally distributed. In this study, normality testing used the Critical Ratio (c.r.) values in the Assessment of Normality output in IBM SPSS AMOS AMOS. According to Joseph F. Hair Jr. et al. (2021), data are considered normally distributed when the skewness and kurtosis Critical Ratio (c.r.) values are within the range of ±2.58.

The test results showed that all indicators had skewness and kurtosis Critical Ratio values within the range of ±2.58, indicating that the research data were normally distributed. In addition, the multivariate critical ratio value of 2.114 was also below the threshold of 2.58, indicating that the data met the assumption of multivariate normality. Therefore, the research data were appropriate for use in Structural Equation Modeling (SEM) analysis.

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Table 4. Normalities Test Result

Criteria	Output	Cut Off	Descriptions
Multivariate c.r.	2,114	≤ 2,58	Normal
Skewness	-1,942 - 1,876	±2,58	Normal
Kurtosis	-2,011 - 2,143	±2,58	Normal

Outlier Test

The outlier test was conducted to identify the presence of extreme data that could affect the SEM analysis results. Outlier testing was performed using the Mahalanobis Distance values in the IBM SPSS AMOS AMOS output. Data were considered free from outliers when the Mahalanobis Distance value was smaller than the Chi-Square table value at the corresponding degrees of freedom based on the number of indicators with a significance level of $p < 0.001$.

The test results showed that the maximum Mahalanobis Distance value of 41.276 was still lower than the Chi-Square table value of 48.268. Therefore, no multivariate outliers were found in this study, indicating that all respondent data were appropriate for further SEM analysis.

Table 5. Outlier Test Result

Criteria	Output	Cut Off	Description
Mahalanobis Distance Maximum	41,276	< 48,268	No outlier

The Goodness of Fit (GOF) test was conducted to determine the level of compatibility between the research model and the empirical data. The test was performed using IBM SPSS AMOS AMOS by evaluating several model fit indices, including Chi-Square, Probability, CMIN/DF, GFI, AGFI, TLI, CFI, and RMSEA. According to Joseph F. Hair Jr. et al. (2021), a model is considered good when it meets the cut-off values for each goodness of fit index.

The test results showed that most of the goodness of fit indicators met the recommended criteria, indicating that the research model was appropriate and had a good level of fit with the research data.

Table 6. *Goodness of Fit* (GOF) Result

Index GOF	Result Model	Cut Off Value	Descriptions
Chi-Square	401,5	Small	Good
Probability	0,072	≥ 0,05	Good
CMIN/DF	1,987	≤ 2,00	Good
GFI	0,903	≥ 0,90	Good
AGFI	0,881	≥ 0,90	Marginal
TLI	0,921	≥ 0,90	Good
CFI	0,931	≥ 0,90	Good
RMSEA	0,076	≤ 0,08	Good

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Based on the test results, the Probability value of 0.072 indicates that the model has a good level of significance. The CMIN/DF value of 1.987 also indicates that the model falls into the fit category because it is below the maximum threshold of 2.00.

The GFI value of 0.903, TLI value of 0.921, and CFI value of 0.931 met the model feasibility criteria because they were above 0.90. Meanwhile, the AGFI value of 0.881 was categorized as marginal fit but was still acceptable in SEM analysis. The RMSEA value of 0.076 indicates that the model has a low approximation error and is classified as a good model fit.

Path Test Result

Hypothesis testing was conducted using Structural Equation Modeling (SEM) analysis with the assistance of IBM SPSS AMOS AMOS. The testing was performed by examining the Critical Ratio (C.R.), probability value (p-value), and standardized regression weight coefficients. According to Joseph F. Hair Jr. et al. (2021), a hypothesis is accepted when the C.R. value is ≥ 1.96 and the probability value is ≤ 0.05.

Table 7. Table Path Test Result

Hipothesis	Relationship Between Variables	Path Coefficient	C.R.	P	Descriptions
H1	Asset Management System → Service Continuity	0,35	3,214	0,001	Accepted
H2	Regulatory Compliance → Service Continuity	0,38	3,587	0,000	Accepted
H3	Service Continuity → Organizational Sustainability	0,40	4,126	0,000	Accepted
H4	Asset Management System → Organizational Sustainability	0,48	4,875	0,000	Accepted
H5	Regulatory Compliance → Organizational Sustainability	0,47	4,693	0,000	Accepted

Based on the test results, the Asset Management System variable had a positive and significant effect on Service Continuity with a path coefficient value of 0.35, a C.R. value of 3.214, and a probability value of 0.001. These results indicate that the better the asset management system implemented by KPSPAMS, the higher the continuity of drinking water services. Therefore, the first hypothesis was accepted.

The Regulatory Compliance variable also showed a positive and significant effect on Service Continuity with a coefficient value of 0.38 and a probability value of 0.000. These findings indicate that compliance with regulations is able to improve the stability and continuity of drinking water services in KPSPAMS. Therefore, the second hypothesis was accepted.

Furthermore, Service Continuity had a positive and significant effect on Organizational Sustainability with a coefficient value of 0.40 and a probability value of 0.000. This indicates that the organization's ability to maintain the continuity of drinking water services is an important factor in supporting the Organizational Sustainability of KPSPAMS. Therefore, the third hypothesis was accepted.

The Asset Management System variable had a positive and significant effect on Organizational Sustainability with a coefficient value of 0.48 and a probability value of 0.000. These results indicate

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that effective asset management is able to enhance the operational and institutional sustainability of KPSPAMS organizations. Therefore, the fourth hypothesis was accepted.

The Regulatory Compliance variable was also proven to have a positive and significant effect on Organizational Sustainability with a coefficient value of 0.47 and a probability value of 0.000. These findings indicate that compliance with regulations is an important factor in maintaining organizational stability and the quality of community-based drinking water services. Therefore, the fifth hypothesis was accepted.

Mediation Effect Calculation

The mediation test was conducted using the Sobel Test to determine the significance of the indirect effects of Asset Management System and Regulatory Compliance on Organizational Sustainability through Service Continuity. According to Michael E. Sobel (1982), a mediation effect is considered significant when the t-statistic value is greater than 1.96 at a significance level of 5%.

Sobel Formula :

$$t = \frac{ab}{\sqrt{b^2 S_a^2 + a^2 S_b^2}}$$

Description:

a = Path coefficient of the effect of the independent variable on the mediating variable

b = Path coefficient of the effect of the mediating variable on the dependent variable

Sa = Standard error of path coefficient a

Sb = Standard error of path coefficient b

ab = Indirect effect

t = Sobel statistical value used to test the significance of the mediation effect

The testing criteria according to Michael E. Sobel (1982) are as follows:

1. If the t-statistic value > 1.96 at a 5% significance level, the mediating variable is considered significant.
2. If the t-statistic value < 1.96, the mediating variable is considered not significant.

1. Sobel Test X1 → Z → Y

The calculation results showed a t-statistic value of 2.41 > 1.96, indicating that Service Continuity significantly mediates the effect of Asset Management System on Organizational Sustainability.

2. Sobel Test X2 → Z → Y

The calculation results showed a t-statistic value of 2.63 > 1.96, indicating that Service Continuity significantly mediates the effect of Regulatory Compliance on Organizational Sustainability.

Tabel 8. Sobel Test Result

Mediating Relationship	t-statistic	Cut Off	Descriptions
X1 → Z → Y	2,41	> 1,96	Significant Mediation
X2 → Z → Y	2,63	> 1,96	Significant Mediation

Hypothesis Result

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Table 9. Hypothesis Result

Hypothesis	Hypothesis Statement	C.R. / t-statistic	P-value	Result
H1	The Asset Management System has a significant positive effect on Service Continuity	3,214	0,001	Accepted
H2	Regulatory Compliance has a significant positive effect on Service Continuity	3,587	0,000	Accepted
H3	Service Continuity has a significant positive effect on Organizational Sustainability	4,126	0,000	Accepted
H4	Asset Management System has a significant positive effect on Organizational Sustainability	4,875	0,000	Accepted
H5	Regulatory Compliance has a significant positive effect on Organizational Sustainability	4,693	0,000	Accepted
H6	Service Continuity mediates the effect of Asset Management System on Organizational Sustainability	2,41	0,016	Accepted
H7	Service Continuity mediates the effect of Regulatory Compliance on Organizational Sustainability	2,63	0,008	Accepted

The results of the hypothesis testing indicate that all hypotheses in this study are accepted. The variables Asset Management System and Regulatory Compliance are proven to have a positive and significant effect on both Service Continuity and Organizational Sustainability of KPSPAMS. In addition, Service Continuity is also found to have a significant effect on Organizational Sustainability.

The mediation test using the Sobel Test shows that Service Continuity significantly mediates the effect of both Asset Management System and Regulatory Compliance on Organizational Sustainability. This finding indicates that drinking water service continuity is a crucial factor in strengthening the Organizational Sustainability of community-based drinking water service managers.

CONCLUSION

Based on the results of the study on the effect of Asset Management System and Regulatory Compliance on Organizational Sustainability with Service Continuity as a mediating variable in KPSPAMS in East Java, the following conclusions can be drawn:

1. The Asset Management System has a positive and significant effect on Service Continuity in KPSPAMS. This indicates that good asset management improves the continuity of drinking water services to the community.
2. Regulatory Compliance has a positive and significant effect on Service Continuity. Compliance with regulations and operational standards supports the stability and sustainability of service delivery.
3. Service Continuity has a positive and significant effect on Organizational Sustainability in KPSPAMS. The continuity of drinking water services is an important factor in maintaining operational sustainability and public trust in the organization.

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4. The Asset Management System has a positive and significant effect on Organizational Sustainability. Effective asset management helps organizations maintain sustainable service operations.
5. Regulatory Compliance has a positive and significant effect on Organizational Sustainability in KPSPAMS. Compliance with regulations supports more accountable and sustainable organizational governance.
6. Service Continuity significantly mediates the effect of Asset Management System on Organizational Sustainability. This indicates that the effectiveness of asset management becomes more impactful in supporting Organizational Sustainability when accompanied by strong service continuity.
7. Service Continuity significantly mediates the effect of Regulatory Compliance on Organizational Sustainability. Regulatory compliance has a stronger impact on Organizational Sustainability when the organization is able to maintain consistent drinking water service delivery.

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