

## THE ROLE OF TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL CULTURE IN INCREASING EMPLOYEE COMMITMENT

Teguh Setiawan Wibowo<sup>1</sup>, Didi Suhendi<sup>2\*</sup>, I Made Adi Suwandana<sup>3</sup>,  
Tanti Widia Nurdiani<sup>4</sup>, Fatimah Malini Lubis<sup>5</sup>

<sup>1</sup>STIE Mahardhika Surabaya, <sup>2</sup>Universitas Al-Khairiyah, <sup>3</sup>Universitas Ngurah Rai,

<sup>4</sup>Universitas Islam Raden Rahmat Malang, <sup>5</sup>Politeknik LP3I Jakarta

Email: didi.suhendi10@unival.ac.id

**Abstract:** *This research is motivated by the importance of employee commitment in achieving company goals. This study aims to determine and analyze the influence of transformational leadership and organizational culture on employee commitment. The research method used in this study is a descriptive method with a quantitative approach. The sample for this study consisted of 100 employees using a random sampling method. Data is collected via surveys distributed via google forms. The instruments used have been tested for validity and reliability. Collected data were analyzed using the classical assumption test and multiple linear regression using excel and SPSS. This is shown by the results of this study 1) transformational leadership has a positive and significant effect on employee commitment, 2) organizational culture has a positive and significant effect on employee commitment, and 3) transformational leadership and organizational culture have a positive and significant effect on employee commitment. The findings of this study suggest that if companies want to increase employee commitment, companies must improve transformational leadership and organizational culture.*

**Keywords:** *Transformational leadership, Organizational Culture, Employee Commitment*

### 1. Introduction

Employee commitment is the level of trust, loyalty and dedication of employees to the organization where they work. Employee commitment includes the belief that organizational goals are important and employees' struggles are valuable, as well as the desire to remain in the organization and work well (Liana, Y., & Irawati, 2014). Employees who have a high level of commitment tend to work better and make additional efforts to achieve organizational goals, and tend to stay in the organization for a longer period of time. In line with this understanding, Robbins and Judge (2017) explained that employee commitment is the level of employee desire to remain in the organization, trust and loyalty to the organization, and dedication to achieving organizational goals.

Employee commitment is important for organizational success because it can improve employee performance, reduce employee turnover, and increase customer satisfaction and overall organizational financial performance (Muis, MR, Jufrizen, J., & Fahmi, 2018). Employees who have a high level of commitment tend to work better and are dedicated to the organization, thereby increasing productivity and quality of work. In addition, employees who have a high level of commitment tend to stay longer in the organization, thereby reducing the cost of recruiting and training new employees. Employees who have a high level of commitment tend to provide better service and meet customer needs, so as to increase customer satisfaction (Handoko & Handayani, 2017).

One factor believed to influence employee engagement is innovative leadership. Transformational leadership is a type of leadership that focuses on developing employees, motivating them to achieve organizational goals, and inspiring them to achieve higher levels of performance. Transformational leadership is very important in business and organizational contexts because it has a positive impact on employee performance, customer satisfaction, financial performance, and organizational image and reputation (Tucunan, RJA, Supartha, WG, & Riana, 2014).

Transformational leadership is very important because transformational leadership can help increase employee motivation and make them more involved in achieving organizational goals (Narosaputra, 2022). This can increase employee productivity and performance. In addition, transformational leadership encourages employees to think creatively and innovatively, thereby increasing the ability of the organization to adapt to changes in the business environment and generate new ideas. Transformational leadership can also help employees understand customer needs and wants, so they can provide better service and increase customer satisfaction (Jufrizen, J., & Lubis, 2020).

Along with innovative leadership, one of the factors that can influence employee engagement is organizational culture. Organizational culture can also be defined as the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes, and norms that define an organization, all of which include diversity or pluralism. Essentially, organizational culture is a trait that exists in a group and is used as a guide for behavior and differentiation from other groups. This means that an organizational culture is a code of conduct and a value that must be understood and followed by the group of people who adhere to it (Arianty, 2015).

Organizational culture greatly influences behavior of members of the organization. If the organizational culture is good, because the organizational culture's value system can serve as a reference for human behavior in the organization towards achieving goals and setting performance outcomes (Muhammad, 2017). Organizational culture also helps identify an organization and differentiates it from other organizations. This can strengthen organizational identity and help the organization gain the trust and support of employees, customers and society. In addition, a good organizational culture can increase employee motivation and involvement, so that it can increase employee productivity and performance (Nuryanto, 2013).

Research on the Role of Transformational Leadership and Organizational Culture in Increasing Employee Commitment has been performed by many previous researchers, including (Humala, 2014; Widyatmika, IDGAP, & Riana, 2020; Darmawan, A., & Putri, 2017; Dewi, KS 2013; Utarayana, IG, & Adnyani, 2020; Brahmasari, 2008; Sari, TK, & Witjaksono, 2013; Windarwati, D., Payangan, OR, & Hamid, 2016; Logahan, JM, & Aesaria, 2014; Ellys, E. , & Ie, 2020; Wibawa, IWS, & Putra, 2018; Usmany, TP, Hamid, D., & Utami, 2016; Syarief, A., Maarif, MS, & Sukmawati, A. 2017; Rahmi, A., & Mulyadi, 2018; Mubarak, A., & Darmanto, 2015; Mahkota, Sintaasih, DK, & Rahyuda, 2017; Utarayana, IG, & Adnyani, 2020; Siswatiningsih, I., Raharjo, K., & Prasetya, 2016).

Based on the background and previous studies that have been described by the authors above, the authors are interested in studying the Role of Transformational Leadership and Organizational Culture in Increasing Employee Commitment. This study aims to identify and analyze the Role of Transformational Leadership and Organizational Culture in Increasing Employee Commitment. The findings of this study are expected to be able to provide input to stakeholders regarding the Role of Transformational Leadership and Organizational Culture in Increasing Employee Commitment.

## **2. Research Method**

The research method used in this research is descriptive method with a quantitative approach. The sample in this study were 100 employees using random sampling technique. Data collection uses a questionnaire distributed via google form. Measurement of transformational leadership variables uses reforming indicators, sets an example, encourages subordinate performance, harmonizes the work environment, empowers subordinates, acts on the value system, continuously improves capabilities, and is able to deal with complex situations (Sudarwan Danim and Suparno, 2009). Measurement of organizational culture variables uses indicators, namely norms, dominant values, rules and organizational climate (Umi et al, 2015). The measurement of employee commitment variables uses indicators, namely employee willingness, employee loyalty, and employee pride in the organization (Lincoln and Bashaw in Sopiah, 2008). The instruments used have been tested for validity and reliability. The collected data were analyzed using the classical assumption test and multiple linear regression using excel and SPSS.

## **3. Results and Discussion**

### **3.1. Results**

#### **Overview of Study Participants**

The sample size for this study was 100 employees. The results of data collection and processing are presented illustratively in the discussion below:

#### **a) Study Participants Based on Gender**

The distribution of study participants by gender is shown in Table 1 below:

**Table 1.**

Distribution of Study Participants by Gender

<b>Gender</b>	<b>Frequency</b>	<b>%</b>
Male	46	46
Female	54	54
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Data Processing, 2023

Based on Table 1 above, it is known that the study participants in this study were more male, namely 46%, while only 54% were female.

#### **b) Study Participants Based on Age**

The distribution of study participants by age is shown in Table 1 below:

**Table 2.**

Distribution of Study Participants by Age

<b>Age</b>	<b>Frequency</b>	<b>%</b>
< 25 years	35	35
25 – 40 Years	45	45
> 40 Years	20	20
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Data Processing, 2023

Based on Table 2 above, it is known that the study participants in this study were more study participants age 25-40 years, namely 45%, while the study participants who were at least > 40 years old, namely 20%.

## Classic assumption test

### a) Normality test

**Table 3.**

*Kolmogorov-Smirnov One Sample Normality Test Results*

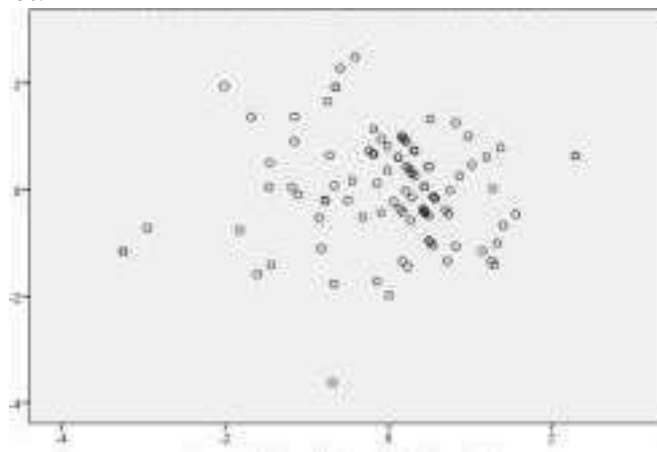
Significance	Information
.255 <sup>c,d</sup>	Normal Distribution

Source: Data Processing, 2023

From the table above we can see that the model is normally distributed as evidenced by the significance value  $> 0.05$  equal to 0.255.

### b) Heteroscedasticity Test

To see whether there is heteroscedasticity, it is necessary to look at the distribution by looking at the points on the plot.



**Figure 1.**

*Heteroscedasticity Test Results*

Source: Data Processing Results, 2023

Figure 1 shows that the small circles appear to be scattered randomly in the area above and below the number 0. This means that there is no heteroscedasticity in the regression model of this study.

### c) Multicollinearity Test

**Table 4.**

*Multicollinearity Test Results*

Variable	<i>Collinearity Statistics</i>		Information
	tolerance	VIF	
Transformational Leadership (X1)	0.340	3.500	Multicollinearity Free
Organizational Culture (X2)	0.345	4.200	Multicollinearity Free
Employee Commitment (Y)	0.355	3.200	Multicollinearity Free

Source: Data Processing, 2023

If the tolerance value is  $> 0.10$  or  $< 1$  and  $VIF < 10$ , then multicollinearity does not occur. The table shows the tolerance value  $> 0.10$  or  $< 1$  and  $VIF < 10$  meaning that all are free of multicollinearity.

### Multiple Linear Regression Analysis

**Table 5.**  
Multiple Regression Test Results

Model	Unstandardized Coefficients		standardized Coefficients	t	Sig
	B	std. Error	Betas		
Constant	6.410	6.400		.850	.300
Transformational Leadership	.306	.080	.240	3.320	.000
Organizational Culture	.620	.060	.530	4.200	.000

Source: Data Processing, 2023

### F test

**Table 6.**  
F test results

Model	Sum of Squares	df	MeanSquare	F	Sig
Regression	1652.500	2	870.200	35.060	.000b
residual	2222.200	98	21.250		
Total	3950.800	98			

Source: Data Processing, 2023

Basically the F-statistic test shows whether all the independent variables included in the regression model have the same effect on the dependent variable. Table 6 above calculates the F value of 35.060 at a significance level of 0.000.

### Determination Coefficient Test (R2)

**Table 7.**  
Determination Test Results (R2)

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.645a	.480	.520	4.520

Source: Data Processing, 2023

Table 7 above shows that the Adjusted R2 value obtained is 0.520 meaning that employee commitment can be explained by the independent variables, namely transformational leadership and organizational culture of 52.00%. The remaining 48.00% is explained by other variables not included in this study.

### Hypothesis Testing (T Test)

**Table 8.**  
T test results

Model	t	Sig.
Transformational Leadership	3.320	.000
Organizational Culture	4.200	.000

Source: Data Processing, 2023

### **3.2. Discussion**

#### **a. The Effect of Transformational Leadership on Employee Commitment**

The results of this study indicate that transformational leadership influences employee commitment. This means that the better the transformational leadership of the company, the better the commitment of its employees, conversely the worse the transformational leadership of the company, the worse the commitment of its employees. This suggests that if the company wants to increase employee commitment, the company should improve transformational leadership.

Transformational leadership is a leadership style in which leaders seek to inspire and motivate employees to achieve higher organizational goals. Transformational leaders can help employees understand the larger purpose of the organization and why their work is important in achieving that vision. Transformational leaders can also pay attention to the needs and wants of employees, provide needed support and recognition, and provide positive feedback to motivate employees. In addition, transformational leaders can help employees develop their skills and abilities, and provide opportunities for learning and growth.

The results of this study are consistent with those of previous studies (Humala, 2014; Widyatmika, IDGAP, & Riana, 2020; Darmawan, A., & Putri, 2017; Dewi, KS 2013; Utarayana, IG, & Adnyani, 2020) which revealed that transformational leadership influences employee commitment.

#### **b. The Influence of Organizational Culture on Employee Commitment**

The results of this study indicate that Organizational culture influences employee commitment. This means that the better the organizational culture of the company, the better the commitment of its employees, conversely, the worse the organizational culture of the company, the worse the commitment of its employees. This suggests that if the company wants to increase employee commitment, the company should improve the organizational culture.

Organizational culture is a collection of values, norms, and behaviors adopted by an organization. The influence of organizational culture on employee commitment is very significant because organizational culture can influence employee perceptions, attitudes and behavior towards the organization. A strong and clear organizational culture can provide a strong sense of attachment to employees. Employees who feel they have the same values as the organization are more likely to be attached to and loyal to the organization. In addition, an organizational culture that focuses on employee development and provides opportunities for employees to learn and develop can increase employee commitment to the organization. An organizational culture that supports and provides recognition to employees can motivate employees to work better and increase employee commitment to the organization.

The results of this study are consistent with those of previous studies (Brahmasari, 2008; Sari, TK, & Witjaksono, 2013; Windarwati, D., Payangan, OR, & Hamid, 2016; Logahan, JM, & Aesaria, 2014; Ellys, E., & Ie, 2020; Wibawa, IWS, & Putra, 2018; Usmany, TP, Hamid, D., & Utami, 2016) which revealed that organizational culture influences employee commitment.

#### **c. The Influence of Transformational Leadership and Organizational Culture on Employee Commitment**

The results of this study indicate that transformational leadership and organizational culture affect employee commitment. This means that the better the transformational



leadership and organizational culture of the company, the better the commitment of its employees, conversely the worse the transformational leadership and organizational culture of the company, the worse the commitment of its employees. This suggests that if the company wants to increase employee commitment, the company should improve transformational leadership and organizational culture.

The results of this study are consistent with those of previous studies (Syarif, A., Maarif, MS, & Sukmawati, A. 2017; Rahmi, A., & Mulyadi, 2018; Mubarak, A., & Darmanto, 2015; Mahkota, Sintaasih, DK, & Rahyuda, 2017; Utarayana, IG, & Adnyani, 2020; Siswatiningsih, I., Raharjo, K., & Prasetya, 2016) which revealed that transformational leadership and organizational culture affect employee commitment.

#### **4. Conclusion**

Based on the results of research and data processing on the Role of Transformational Leadership and Organizational Culture in Increasing Employee Commitment, the authors can draw conclusions: 1) Transformational leadership has a positive and significant effect on employee commitment, 2) Organizational culture has a positive and significant effect on employee commitment, and 3) Transformational leadership and organizational culture have a positive and significant effect on employee commitment. Based on the conclusion about the Role of Transformational Leadership and Organizational Culture in Increasing Employee Commitment, the authors recommend: 1) For companies, companies should focus on developing good organizational cultural values that can be used as a reference for achieving company goals, and 2) For management, it is better in the process of company management always exploring, developing and implementing transformational leadership, and 3) For employees, it is better to try to explore and maximize the leadership spirit that exists within each employee and uphold the organizational culture created and implemented in the company

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