THE EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEE LOYALTY

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Abstract: High employee loyalty is a big goal for each company because of the increasing competition between companies. To overcome the decline in employee loyalty and retain existing employees, the company must create a comfortable work environment. In addition to a comfortable environment, organizations must also build a strong organizational culture. This research was conducted to determine the effect of organizational culture on employee loyalty at PT. Tara Megah Muliatama or commonly known as Gemah Ripah Taxi. The purpose of this research is to know and analyze how the organizational culture in the company, how the loyalty of employees, especially drivers, and how much influence the organizational culture has on employee loyalty at PT. Tara Megah Muliatama. This study uses a quantitative method with a descriptive type of research - causality. The sample of this study was taken randomly as many as 78 respondents. The analysis technique used in this research is descriptive analysis and simple linear regression analysis. The data collection needed in this research is by distributing questionnaires to 78 drivers of Gemah Ripah Taxi. The regression test results show that organizational culture has a significant effect on employee loyalty. Meanwhile, the R square value on the coefficient of determination shows that organizational culture on employee loyalty is 16%, the remaining 84% is influenced by other factors that are not addressed in this study.

Keywords: Organizational Culture, Employee Loyalty

INTRODUCTION

Manpower or employees are some of the important components of an organization or company. Workers or employees act as planners, actors, and determinants of the realization of organizational goals. Apart from materials, capital and technology, labor or employees are organizational assets that must be managed properly. As stated by Suwatno & Yuniarsih (2008) "human resource management considers that employees are the main assets (assets) of an organization that must be managed properly, so HRM is more strategic for the organization in achieving its stated goals". Meanwhile, Hasibuan & Malayu (2007) defines that human resource management is the science and art of managing the relationships and roles of the workforce to be effective and efficient in helping the realization of company, employee, and community goals. To achieve the stated goals, companies are required to create consistency and stability. Employee consistency must be maintained to create stability in the company. One thing that supports company stability is employee loyalty. Hasibuan states that loyalty or loyalty is one of the elements used in employee appraisal which includes loyalty to their job, position, and organization. This loyalty is reflected in the willingness or willingness that arises in employees to maintain and defend the organization or company inside or outside of work from disturbance by irresponsible people (Hasibuan & Malayu, 2007).

Saydam (2000) stated "loyalty is the determination and ability to obey, carry out and practice something that is obeyed with full awareness and responsibility. Determination and ability must be proven in daily attitudes and behavior as well as in carrying out duties. As stated by Saydam (2000) who stated, "High loyalty can encourage high concern for the company". The concern here is a positive attitude from employees to conditions that occur in

the organization, both conditions that lead to progress and conditions that lead to adverse tendencies. Employees play an important role so that an organization must be fostered, developed, and utilized optimally so that they have high work loyalty and can provide maximum contribution to the company.

High employee loyalty is a big goal for each company because of the increasing competition between companies. Competition between companies is also felt by PT. Tara Megah Muliatama (Gemah Ripah Taxi). Table 1 shows the turnover data for employees of PT. Tara Megah Muliatama (Gemah Ripah Taxi) in 2013-2017:

Table 1. Employee Turnover Data 2013 - 2017

No.	Year	Number of Employees (within range)
1.	2013	900
2.	2014	1000
3.	2015	500
4.	2016	500
5.	2017	350

Soure: PT. Tara Megah Muliatama (Taksi Gemah Ripah)

To overcome the decline in employee loyalty and retain existing employees, the company must create a comfortable work environment. In addition to a comfortable environment, organizations must also build a strong organizational culture. Robbins & Judge (2015) stated that organizational culture is a system of shared meaning formed by its members which also differentiates it from other organizations. From the definition above, it can be interpreted that "shared meaning" means that the words we use have the same meaning or meaning for others. Common meaning also means that we understand the values, beliefs, and emotions that each person has and are then channeled through communication. Organizational culture can also reduce turnover because organizational culture encourages employees to decide to keep growing with the company.

Organizational culture according to Tishler is something that points to the values, beliefs, and basic principles where organizational culture also serves as a basis for an organization's management system, as well as a set of management practices and behavior, where both describe and support the basic principles of the organization. Organizational culture states a shared perception shared by members of the organization (Carmelia & Tishler, 2006). Therefore, the organization will expect that individuals with different backgrounds can carry out the culture of the organization where they work with the characteristics of the existing culture.

The above phenomenon can be used as a reference regarding the influence of organizational culture as one of the main factors to increase employee loyalty at work so that organizational activities can run effectively and efficiently. A positive organizational culture will encourage someone to encourage employees to work their best. Thus, the stronger the organizational culture, the stronger employee morale will be and can have a positive influence on the progress of an organization. This research was conducted to determine the effect of organizational culture on employee loyalty at PT. Tara Megah Muliatama or commonly known as Gemah Ripah Taxi. The purpose of this research is to know and analyze how the organizational culture in the company, how the loyalty of employees, especially drivers, and how much influence the organizational

culture has on employee loyalty at PT. Tara Megah Muliatama.

The hypotheses in this study are:
$H_0 = 0$ Organizational culture does not have a significant effect on employee loyalty at PT. Tara Megah Muliatama (Gemah Ripah Taxi driver).
$H_a \neq 0$ Organizational culture has a significant influence on employee loyalty at PT. Tara Megah Muliatama (Gemah Ripah Taxi driver)

METHODS
The type of research used in this research is descriptive and causal. Descriptive research is research that aims to explain or describe a situation, event, object whether people, or everything is related to variables that can be explained either by numbers or words (Setyosari, 2010). Meanwhile, causal research is research that has the main objective of proving a causal relationship or a relationship that affects or causes changes in other variables (Oei, 2010).

As for the method, this study uses quantitative methods because the population and sample studied have been determined. According to Sugiyono (2015), the quantitative method is a research method based on the philosophy of positivism, used to research on certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative/ statistical with the aim of test the hypothesis that has been set.

The sample of this study was taken randomly as many as 78 respondents. The analysis technique used in this research is descriptive analysis and simple linear regression analysis. The data collection needed in this research is by distributing questionnaires to 78 drivers of Gemah Ripah Taxi. The data collection required in this study is by distributing questionnaires to several Gemah Ripah taxi drivers who were selected as sample respondents. The data that has been obtained is then processed into information that supports a study. In this study, researchers wanted to know how the Influence of Organizational Culture on Employee Loyalty at PT. Tara Megah Muliatama.

RESULTS AND DISCUSSION
Characteristics of Respondents
Based on the data obtained by the author for the profile of respondents based on gender, 78 respondents, or all respondents from the questionnaire of this study were males. According to data obtained by the company, all the drivers of Gemah Ripah Taxi are male. Of the 78 respondents, as many as 35% or 27 respondents were at the age of 30-39 years, 23 respondents aged 40-49 years, and the number of respondents who were at the age of 20-29 years was 21 respondents or 27%, 8% or as many as 6 people over 50 years of age. The majority of respondents who work in Gemah Ripah Taxi are aged 20-29 years, 30-39 years old, and 40-49 years or equal to 92%. Of the 78 respondents, respondents with a high school education or the equivalent or below were 83% or 65 respondents and respondents with a D3 last education was 17% or 13 respondents.

The majority of respondents who work in Gemah Ripah Taxi have attended high school education or equivalent or below as much as 83% or the equivalent of 65 respondents. of 78 respondents 31% or the equivalent of 24 respondents have worked for 11-15 years. Meanwhile, 29% or the equivalent of 23 respondents have worked for 16-20 years, 22% of respondents who have worked for 6-10 years, and 12% or 9 respondents have worked for more than 20 years, and 6% or 5 respondents have worked for 0 - 5 years. The majority of respondents have worked for 11-15

years and 16-20 years or 60% of 78 respondents.

Descriptive Analysis of Loyalty Variables

the results of data processing on answers from respondents through distributing questionnaires consisting of

14 questions with four dimensions, namely: High Concern, a sense of belonging, persistence in the organization, and increase work awareness The results described in the 4 dimensions of the loyalty variable are summarized in Table 2 below:

Table 2. Total Score of Loyalty Variables

No.	Dimensions	Total Score	Ideal Score	Average
1.	High Concern	1001	1170	85,6%
2.	A sense of belonging	1325	1560	84,9%
3.	Staying in the Organization	996	1170	85,1%
4.	Increase Work Awareness	1337	1560	85,7%
	Total	**4659**	**5460**	**85,3%**

Source: Processed data

Based on the table above, it can be seen that the Loyalty variable has an average percentage of 85.3%. Overall

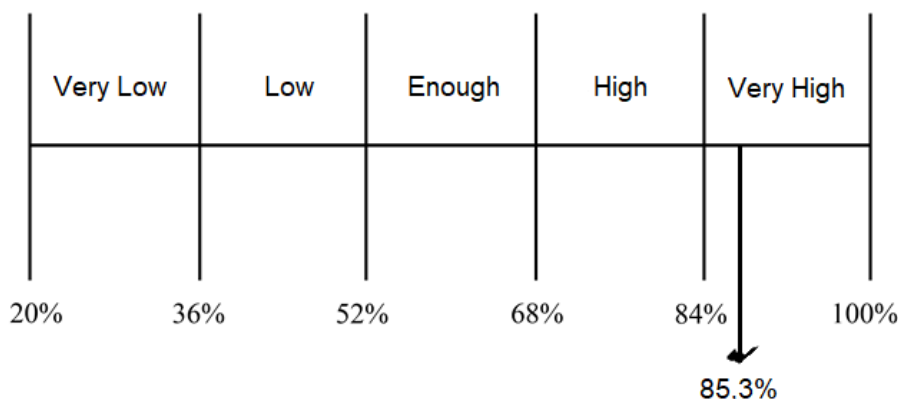loyalty variables can be shown in Figure 1 the continuum line below:

Figure 1. Continuum Line on Loyalty Variables
Source: Processed data

In Figure 1, it can be seen that the percentage of the Loyalty variable is at a very high level with an average percentage of 85.3%. This shows that the employees of Gemah Ripah Taxi have a very high concern, sense of belonging, desire to stay in the organization and raise awareness of performance.

The results of the descriptive analysis of employee loyalty variables have been carried out through

distributing questionnaires to 78 respondents who are drivers of Gemah Ripah Taxi. From the results of this analysis, it can be said that the Gemah Ripah Taxi has a driver with good loyalty, it can be seen in Table 2. It can be concluded that based on the respondent's response to the 14 question items regarding employee loyalty, the highest score is in the very high category, namely the dimension of increasing performance awareness.

Meanwhile, the lowest percentage is the dimension of belonging. Despite the loyalty of employees at PT. Tara Megah Muliatama is included in the very high category, there are several aspects of this loyalty that have a lower percentage than other aspects. Like, the dimension of belonging which has been mentioned above. Although according to the results of the descriptive analysis of employee loyalty at PT. Tara Megah Muliatama is included in the high category, but the company still feels a loyalty crisis caused by high employee turnover.

Descriptive Analysis of Organizational Culture Variables

Based on the results of processing data on answers from respondents through distributing questionnaires consisting of 21 questions with seven dimensions, namely: Innovation & Risk Taking, Paying Attention to Details, Result Orientation, People Orientation, Team Orientation, Aggressiveness, and Stability. The results are described in seven dimensions of the variables of organizational culture are summarized in Table 3 below:

Table 3. Total Score of Organizational Culture Variables

No.	Dimensions	Total Score	Ideal Score	Average
1.	Innovation and Taking Risks	678	780	86,9%
2.	Pay attention to details	677	780	86,8%
3.	Result Orientation	1347	1560	86,3%
4.	People Orientation	1032	1170	88,2%
5.	Team Orientation	1370	1560	87,8%
6.	Aggressiveness	1014	1170	86,7%
7.	Stability	1001	1170	85,6%
	Total	**7119**	**7410**	**86,9%**

Source: Processed data

Based on the table above, it can be seen that the variable organizational culture has an average percentage of 86.9%. Overall organizational culture variables can be shown in Figure 2 continuum line below:
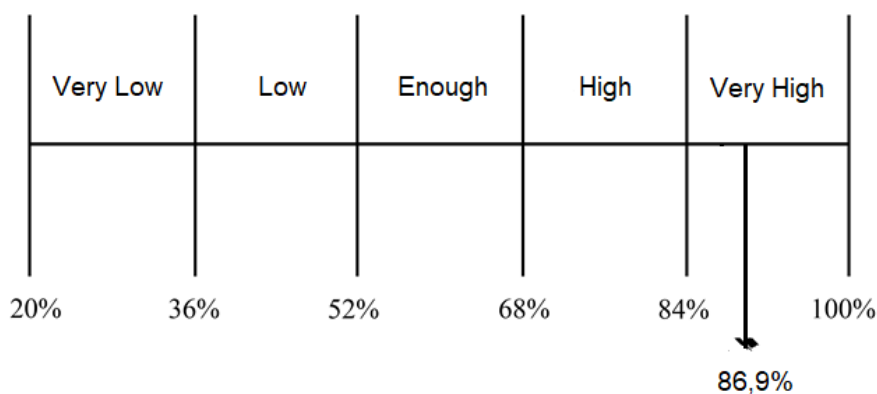

Figure 2. Continuum Line on Organizational Culture Variables
Source: Processed data

In Figure 2, it can be seen that the percentage of the Organizational Culture variable is at a very high level with an average percentage of 86.9%. This shows that the culture in Gemah Ripah Taxi has very high Innovation &

Risk Taking, Attention to Details, Result Orientation, People Orientation, Team Orientation, Aggressiveness, and Very High Stability.

The results of the descriptive analysis of organizational culture variables have been carried out by distributing questionnaires to 78 respondents who are drivers of the Gemah Ripah Taxi. It can be concluded that based on the respondents' responses to 21 question items regarding organizational culture, the highest score is the very high category, namely the dimension of people orientation. Meanwhile, the lowest percentage is the dimension of stability. At first, the company was not too concerned about the cultural aspects of the company. The company is more focused on increasing the company's income amidst the current competition for transportation providers. With the results of the analysis on organizational culture which is included in the high category, companies can begin to achieve targets using the dimensions that have been studied.

Simple Linear Regression Analysis

Simple linear regression analysis is used to determine the effect of the independent variable on the effect of the dependent variable. In Table 4 below are the results of a simple linear regression test which shows the similarities between organizational culture and employee loyalty in this relationship.

Table 4. Simple Linear Regression Analysis

Coefficients^a

Model						Sig.
1	(Constant)	2.225	340.728		5.253	.000
	Culture	.490	.129	.400	3.799	.000

a. Dependent Variable: Loyalty_Y

Source: Processed data

$$Y = a + \beta X + e$$

$$Y = 2{,}225 + 0{,}490X_1$$

Based on the output above shows the constant value and regression coefficient so that it can be described as follows: (1) The constant a is 2,225, which means that the consistent value of the Loyalty variable is 2,225; (2) The X regression coefficient of 0.490 states that for every 1% addition of Cultural value, the Loyalty value will increase by 0.490. The regression coefficient is positive, so it can be said that the direction of the influence of the variable X on Y is positive.

Based on Table 4, it shows that the results of linear regression analysis show that the value of t_{count} for cultural variables is greater than t_{table}. Since the value of t count (3.799)> t_{table} (1.99167) and a significance level of 0.000 <0.05, then H_0 is boxed and H_1 is accepted. Based on these results, it shows that there is a significant influence of the Organizational Culture variable (X) on the Loyalty variable (Y) at PT. Tara Megah Muliatama.

The coefficient of determination

Assessment of the coefficient of determination aims to see the variation in the ability of the independent variable (Organizational Culture) in explaining its effect on the dependent variable (Employee Loyalty). If the coefficient of determination is close to 0, it does not affect. In Table 5, the coefficient of determination of Corporate Culture on Loyalty will be explained as follows:

Table 5. Coefficient of Determination Between Organizational Culture and Loyalty

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.400[a]	.160	.149	413.582

a. Predictors: (Constant), Culture_X
b. Dependent Variable: Loyalty_Y

Source: Processed data

The results of the calculation of the coefficient of determination in this study are as follows:

$KD = R^2 \times 100\%$

$KD = 0.160 \times 100\%$

$KD = 16\%$

Based on the results of these calculations, it can be seen that the coefficient of determination (R Square) is 0.160 or 16%, meaning that the organizational culture variable influences 16%. Meanwhile, the remaining 84% is influenced by other variables not examined in this study. This confirms that there is a significant influence of organizational culture on employee loyalty so that the organizational culture at Gemah Ripah Taxi can be used as a way to increase employee loyalty, especially a driver.

CONCLUSION

Based on the results of research that has been done on the employees of PT. Tara Megah Muliatama or Gemah Ripah Taxi regarding the influence of organizational culture on employee loyalty, it can be concluded that the employee loyalty of Gemah Ripah Taxi as a whole falls into the very high category. The highest dimension is increasing awareness of performance. While the lowest dimension is a sense of belonging. Meanwhile, organizational culture has a significant effect on employee loyalty of Gemah Ripah Taxi. The overall organizational culture of Gemah Ripah taxis is in the very high category. The highest dimension is people's orientation. Meanwhile, the lowest dimension is the dimension of stability.

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