

## Corporate Culture And Organizational Commitment Of Training Institution In Indonesia

<sup>1)</sup>Sumini, <sup>2)</sup>Ade Irma Susanty

Faculty of Economics and Business, Telkom University, Bandung  
Faculty of Communication and Business, Telkom University, Bandung  
sumini.1969@gmail.com, adeirma@telkomuniversity.ac.id

---

### Abstract

Organizational Commitment is an aspect that plays an important role in an organization. Commitment to the organization can influence the improvement of effectiveness and efficiency. Employees who have strong commitment to the organization will show maximum effort in doing the task and believed to dedicate their time, energy, talents, and loyalty to the organization, compared with employees who do not have a commitment. One of the factors that affect the organization's commitment is the organization's culture. In this study, the factors measured include the organizational culture of integrity, enthusiasm, and totality.

This study aims to determine how the culture of an organization that consists of integrity, enthusiasm, and totality, how is the commitment of the organization, how significant is the influence of organizational culture on organizational commitment both simultaneously or partially at Training Institution of Indonesia .

The data analysis technique used in this study is path analysis with SPSS for Windows version 22. The study population is all of the employees of Training Institution of Indonesia with a total sample of 148 employees. Data were collected using a questionnaire containing 55 items related statement of organizational culture and organizational commitment.

The analysis results showed that the culture of the organization as a whole amounted to 76.68%, which can be categorized as strong, with details of the integrity being 80.63%, 73.21% being enthusiasm and 76.12% of the totality variable. The organizational commitment is categorized to be very strong by the amount of the value of the percentage 82.46%. The results of path analysis showed that simultaneously organizational culture significantly influence organizational commitment with the amount of influence amounting to 35.80%. Partially the variable integrity significantly influence commitment by 28.90%, enthusiasm by -31.50%, and totality by -17.70%.

**Keywords:** *organization culture, organization commitment, integrity, enthusiasm, totality.*

---

### Introduction

Telecommunications technology advancement and rapidly changing environment, marked by the advancement of information, changes in market tastes, demographic changes, economic fluctuations, and other dynamic conditions, require organization to respond to these changes so that the organization can thrive in global competition. Organizational changes will have an impact on every individual residing within the organization. Every individual who becomes a part of an organization is required to develop and realize their full competences. Organization will utilize the competence of the individual to provide an assessment of performance.

Organizations must be more flexible to adapt to a competitive environment. Flexibility is determined by the organization's ability to have adequate resources abilities, skills, high competence and commitment to the organization. The ways by the company utilize and develop human resources in one way can be done through having organizational culture that serves as a guide for any employee to behave and act.

Commitment to the organization is an aspect that plays an important role in an organization (Chen, 2004). Because commitment to the organization can influence to increase the effectiveness and efficiency of work. Employees who have a strong commitment to the organization will show maximum effort in doing the task and



are believed to dedicate time, energy, talents, their greater loyalty to the organization, compared to employees who do not have commitment (Luthans, 2006). If the commitment to the organization is not considered the organization is likely to generate unfavorable impact on the organization's progress.

Despite the commitment to the organization being indispensable, in reality, not all employees can demonstrate their commitment to the organization. For example Training Institute Indonesia has decreased number almost every year. Employee turnover during this time will hurt the performance of the company if there is no effort from the company to lower the levels of entry and exit (turnover) of the employees. The turnover rate of Training Institute Indonesia can be seen in Table 1.1 below:

**Table 1**  
**Training Institutions Indonesia Employee Turnover**  
**2012 – 2015**

Year	Number of Employee	Number of Turnover	Percentage of Turnover	Number of Turnover	Percentage of Turnover
			(%)	APS	APS(%)
2012	461	66	14	11	2
2013	395	107	27	17	4
2014	288	37	13	9	3
2015	254	42	17	14	6

Source: Institute for Training Indonesia (2015)

Training Institutions Indonesia from 2012 to 2015 has decreasing number of employees turn over. The reasons of employees' turn over at Training Institute Indonesia, are because of the need and requested by organization include : work location are close to home, better self-actualizing, can not keep up with changes, family and other interests. Based on the above data, it is known that the number of departing employees have a growing percentage of which in 2012 it is increased by 14% to 27% in 2013 so that the data turnover average is 17%. For the percentage of outgoing employees at request either retire early or to move away from Indonesia Training Institute in 2012 amounted to 2% which increased to 4% in 2013 to an average of 4% above turnover may indicate a decline in organizational commitment.

Turnover continues to increase each year indicating that the organizational culture in the company is still weak. Referring to the theory, one of the causes of low commitment is culture. Therefore it shows the indications of turnover. One of the signs of a strong culture is a reduced level of discharge of employees (Mahal, 2009). Many factors may influence commitment to the organization and one of them is the organization's culture.

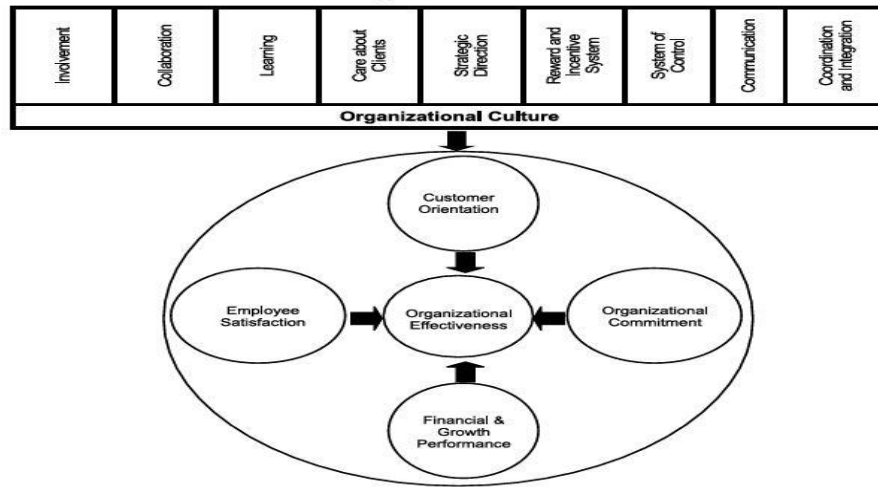
Training Institutions Indonesia continues to build system and integrated corporate culture as a comprehensive business management approach to achieve excellent performance of the company, in compliance with the ethical business and its consciousness. Companies and employees who are sensitive to social responsibility will try to fulfill them to the society as part of being good citizens. Moreover the system and culture continue to be developed in accordance with the demands and changes in the business to realize the ideals that Training Institute Indonesia continues to advance, valued by customers, competitive in the industry and become a company role model.

### **Theoretical Base and Methodology**

According to Robbins (2012), organizational effectiveness is affected by people behavior as an individual or group. Sempene et.al. (2002) state that job satisfaction of employees has important role in influencing organizational effectiveness. Further, Aydin & Ceylan (2009) on the research entitled The Role of Culture on Organizational Effectiveness, it is found that the effectiveness of the organizations is affected by the 10 (ten) organizational cultural factors. It is widely accepted in the literature that organizational culture is a complex concept that can be analyzed from various perspectives. According to Aydin & Ceylan (2009) organizational culture can be measured by Involvement, Collaboration, Transmission of Information, Learning, Care About Clients, Strategic Direction, Reward and Incentive System, System of Control, Communication, Coordination And Integration.



Based on the cultural factors put forward by Aydin and Ceylan, researchers use these factors as the variables of the study. This is because the researchers wanted to know how big is the influence of organizational culture in Training Institute Indonesia on organizational commitment.



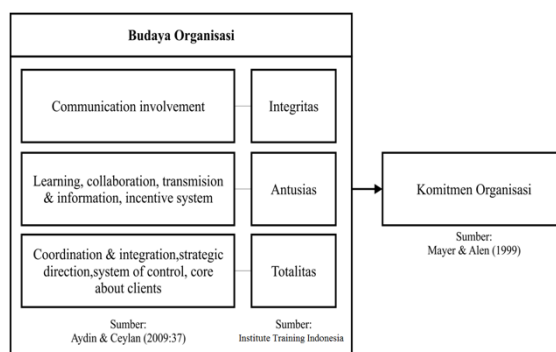
Source: Aydin & Ceylan (2009: 37)

**Figure 1.1**  
**Dimensions of Organizational Effectiveness Model**

**Table 2**  
**Implementation of Culture and Cultural Organization by Aydin & Ceylan at Training Institute Indonesia**

Culture Based on Theoretical Approach		Culture of Training Institute Indonesia	
Description	Value	Value	Description
<ul style="list-style-type: none"> <li>-Building trust and good will between stakeholders in an open and sincere relationship based on capability</li> <li>-The condition in which all members of the organization have the chance to input ideas and recommendations</li> </ul>	Communication Involvement	Integrity	<ul style="list-style-type: none"> <li>-Building trust and good will between stakeholders in an open and sincere relationship based on capability</li> <li>-Always think, speak, and act properly; upholding reputation and the ethic code of profession</li> </ul>
<ul style="list-style-type: none"> <li>-Knowledge Increasing Process</li> <li>-Teamwork more than individual.</li> <li>-New informations arrive on time.</li> <li>-Motivates.</li> </ul>	Learning Collaboration- Transmision & Information Incentive System	Anthusiasism	<ul style="list-style-type: none"> <li>- Developing and Betterment in all subjects in order to get the optimal plus value and the best result with high spirit.</li> </ul>
<ul style="list-style-type: none"> <li>-Commitment to work effectively alongside other divisions</li> <li>-Determinator of Organization Planning and Goal</li> <li>-Structured Observation</li> <li>-Customer Satisfaction-centric</li> </ul>	<ul style="list-style-type: none"> <li>-Coordination &amp; Integration</li> <li>- Strategic direction</li> <li>- System of Control</li> <li>- Care about clients</li> </ul>	Totality	<ul style="list-style-type: none"> <li>- Commitment to work in totality and accurately with the best competition base full of responsibility.</li> <li>- Always treat customers as the number one beneficial partner that develops evermore.</li> </ul>
Source: Aydin & Ceylan (2009:37)		Source : Training Institute Indonesia (2013)	

Based on data from the company, journals and theories that exist, the framework of this research is shown below:



**Figure 1.2**  
**Framework Flow**

**Data Collection Methods: Questionnaire (Questionnaire)** This technique is a technique in which researchers give a set of questions or also known as a questionnaire. The statement contained in the questionnaire are concerned with variables that are discussed in this research, namely organizational culture and organizational commitment. library research techniques is a data collection technique in which researchers study the literature associated with the research. The results of the research can be used as additional literature for researchers in discussing problems in this study.

The technique that the researcher vamooses is the Proportionate random sampling technique, this is because the population is not homogeneous and stratified proportionally. So the probability sampling technique is suitable for use in this study. Researchers gave the same rights to the population to be selected into the sample. Total population of the employee of Training Institute Indonesia in May 2016 amount to as many as 228 people. The sampling in this study use the Slovin formula by Riduwan (2010) which state as follows: where, N = the number of population n = number of samples d = precision (fixed at 5% with a confidence level of 95%) n = 146.

### Hypothesis

Based on the framework the research hypotheses are:

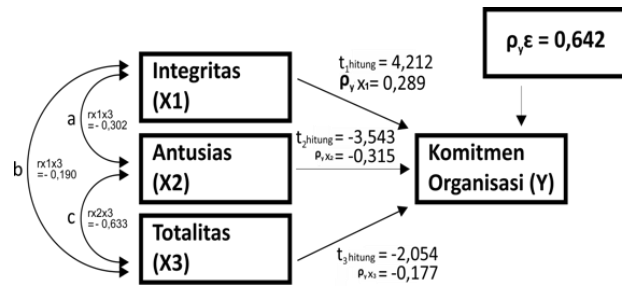
1. How does culture influence the organizational commitment simultaneously.
2. How does culture influence the organizational commitment partially.

### Discussion

The sample used in this study were employees of Training Institute Indonesian amounting to 148 people. Furthermore, respondents were given a questionnaire which is a collection of statements about Cultural Organization (Integrity ( $X_1$ ), Enthusiast ( $X_2$ ) and the totality ( $X_3$ )) with 26 statements and of commitment with 9 statements. Based on the results of descriptive analysis it is indicated that organizational culture which consists of Integrity, enthusiasm and totality in Training Institute Indonesia is included in the strong category with a percentage of 76.73%. This shows uniformity of behavior among the employees of Training Institute Indonesia, and it is an indication that the employee's behavior has not met the company's expectations, the behavior that needs to be improved in accordance with the rules and values of the company. Integrity's ( $X_1$ ) sub variables Involvement and Communication are in a very strong category. Enthusiastic has four sub variables: Collaboration, Learning, Transmission & Information and Incentive System and all are included in strong category. Totality has four sub variables measured, namely Care about Clients, Strategic Direction, System of Control and Coordination and Integration which are also all in the strong category. Organizational commitment (Y) of Training Institute of Indonesia are in the category of very powerful which means employees have a very strong commitment and strong spirit, are open minded, productive, and have concern for the fate of the company.

### Path Analysis

Path analysis is a statistical technique used to examine the comparative strength of the relationship or the direct and indirect influence between variables.



**Figure 1.3**  
**Research Model of Path Analysis**

Based on the calculation above, it can be seen that the influence of organizational culture on organizational commitment at 35.80 and 64.20 is influenced by other factors, while for each variables of organizational culture are: Integrity variable (X<sub>1</sub>) has a total effect of 13.75%, Enthusiastic variable (X<sub>2</sub>) have a total effect of 55.5%, and totality variable (X<sub>3</sub>) have a total effect of 0.89% towards Organizational commitment variable (Y).

**Table 3**  
**Influence of Organizational Culture on the commitment of the Organization Simultaneously**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	14,773	3	4,924	26,799	,000 <sup>b</sup>
Residual	26,461	144	,184		
Total	41,234	147			

- a. Dependent Variable: Y  
b. Predictors: (Constant), X<sub>3</sub>, X<sub>1</sub>, X<sub>2</sub>

According to Table 1.3, it is known that the value of  $F_{count}$  is 26.799.  $F_{table}$  value can be seen in Table F distribution with  $\alpha = 0.05$  and  $k = V_1$ ,  $V_1 =$  number of independent variables = 3 and  $V_2 = nk - 1$ , with  $n =$  number of samples,  $V_2 = 148 - 3 - 1 = 144$ . With the above information and referring to Table F Distribution, then obtained  $F_{table}$  value of 2.161, so the result is:  $F_{count} (26.799) > F_{table} (2.161)$  F test results above show that  $H_0$  is rejected and  $H_a$  is accepted, this means that the hypothesis research reads "the culture of the organization's has an overall significant effect on organizational commitment in Training Institute Indonesia".

**Tabel 4**  
**Influence of Organizational Culture on the Organization's commitment Partial (t test)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3,781	,345		10,960	,000
X1	,287	,070	,289	4,121	,000
X2	-,281	,079	-,315	-3,543	,001
X3	-,197	,096	-,177	-2,054	,042

- a. Dependent Variable: Y

- a. The value of  $t_{count}$  and path coefficients of each variables including Integrity (X<sub>1</sub>), Enthusiast (X<sub>2</sub>), and totality (X<sub>3</sub>) can be viewed on the Coefficients Standardized column (Beta). To facilitate the reader, the author will describe the  $t_{count}$  and the correlation coefficient of each variable X as follows:
- Variable Integrity (X<sub>1</sub>) has a value of  $t = 4.121$ , with a path coefficient value of 0.289.
  - Variable Enthusiast (X<sub>2</sub>) has a value of  $t = -0.3543$ , with a path coefficient of -0.315.
  - Variable totality (X<sub>3</sub>) has a value of  $t = -2.054$ , with a path coefficient of -0.177.

- b. Value of the variable residue or error factor ( $\rho_{y\varepsilon}$ ) can be obtained through the following equation:  $\rho_{y\varepsilon} = 1 - R^2$   $\rho_{y\varepsilon} = 1 - 0,358 = 0,642$ .

### Conclusion

Cultural organization of integrity, enthusiasm and totality simultaneously has significant effect on organizational commitment. However, in this study the totality and enthusiastic variables have significantly negative effect on organizational commitment at training Institute Indonesia. The value of the influence is 35.80%, and the rest of the influence amounting to 64.20% is influenced by other factors that were not discussed in this study. This means that changes in the integrity, enthusiasm and the totality simultaneously or together will have a significant influence and organizational commitment in line at CorpU Telkom amounting to 35.80%.

### References

- Aydin, B., & Ceylan, A. (2009) The role of organizational culture on effectiveness, *Ekonomika A Management*, 3, 33-49.
- Chen, L. Y. (2004), Examining The Effect of Organization Culture and Leadership Behaviors on Organizational Commitment, Job Satisfaction, and Job performance at Small and Middle-sized Firms of Taiwan, *The Journal of American Academy of Business*, September, 432-438
- Luthans, F. (2006), *Organizational Behaviour*, New York : Mc Graw Hill Inc.
- Mahal, P. K., (2009) Organizational Culture and Organizational Climate as a Determinant of Motivation. *The IUP Journal of Management Research*, 8(10), 38-51
- Riduwan, (2010), *Dasar-dasar Statistika*, Bandung: Alfabeta
- Robbins, S.,(2012), *Perilaku Organisasi*, Jakarta : PT Indeks Gramedia.
- Sempene, M.E.; Rieger, H.S., & Roodt, G. (2002). Job Staisfaction in Relation to Organisational Behaviour, *SA Journal of Industrial Psychology*, 28 (2), 23-30





The 8<sup>th</sup> International Conference on Sustainable  
Collaboration in Business, Technology, Information  
and Innovation

