

# The Effect of Transformational Leadership Style, Work Environment, and Organizational Culture on Employee Loyalty of PT Sucofindo (Persero) Padang Branch

1<sup>st</sup> Muhammad Reza <sup>\*a</sup>

2<sup>nd</sup> Yuliasri <sup>a</sup>  <https://orcid.org/0000-0003-1835-642X>

<sup>a</sup> Faculty of Economics and Business, Universitas Andalas

## Abstrak

Penelitian ini bertujuan untuk menginvestigasi pengaruh kepemimpinan transformasional, lingkungan kerja, dan budaya organisasi terhadap loyalitas karyawan di PT. Sucofindo (Persero) Cabang Padang. Metode kuantitatif digunakan untuk menganalisis data yang dikumpulkan melalui kuesioner yang disebarikan kepada karyawan perusahaan. Hasil analisis menunjukkan bahwa kepemimpinan transformasional dan lingkungan kerja memiliki pengaruh positif dan signifikan terhadap loyalitas karyawan, dengan semakin baiknya penerapan kedua faktor tersebut, semakin tinggi tingkat loyalitas karyawan. Namun, pengaruh budaya organisasi terhadap loyalitas karyawan tidak signifikan secara statistik meskipun positif. Penelitian ini memberikan wawasan yang penting bagi manajemen perusahaan dalam memahami faktor-faktor yang dapat meningkatkan loyalitas karyawan, dengan harapan dapat memberikan dasar bagi pengembangan strategi manajemen yang lebih efektif dalam memelihara hubungan positif antara perusahaan dan karyawannya.

Kata Kunci: Kepemimpinan transformasional, Lingkungan kerja, Budaya organisasi, Loyalitas karyawan

## Abstract

This study aims to investigate the influence of transformational leadership, work environment, and organizational culture on employee loyalty at PT Sucofindo (Persero) Padang Branch. Quantitative methods are used to analyze data collected through questionnaires distributed to company employees. The results of the analysis show that transformational leadership and work environment have a positive and significant influence on employee loyalty, with the better the application of these two factors, the higher the level of employee loyalty. However, the effect of organizational culture on employee loyalty is not statistically significant although positive. This research provides important insights for company management in understanding the factors that can increase employee loyalty, in the hope that it can provide a basis for developing more effective management strategies in maintaining a positive relationship between the company and its employees.

Keywords: Transformational leadership, Work environment, Organizational culture, Employee loyalty.

\* Correspondence: [tokejr7546@gmail.com](mailto:tokejr7546@gmail.com)

## 1. Introduction

The progress of a company cannot be separated from internal factors within the company. These factors include human resources, company leaders, work motivation, and employee performance. Rapid business development requires companies to develop and maximize these internal factors. This is important to build the foundation of the company in maintaining its survival and facing the competitive climate.

Human resources in a company are an important element for determining the success of a company. The role of human resources is not an object like machines and modes, but as a driving subject and controller of where the organization is going. Every company needs potential human resources because of their role as subjects of implementing company policies and operational activities. The development of the business world will be realized if supported by quality human resources. The development of the quality of human resources cannot be separated from the role and support of company leaders.

Employees are the backbone of the company. The success of the company to achieve its goals cannot be separated from the role of employees, because employees are not only the object of the company's goals, but also the subject or actor. Employees can be planners, executors, and controllers, and they always play an active role in achieving company goals. If there are no employees, the company will not move, and if the employees are incompetent or their performance is poor, the company will not be able to produce. Basically, humans work to achieve goals and fulfill their needs, because humans are functional beings and are responsible for themselves, for society, for the environment, and for God, the creator of mankind.

Loyalty is a psychological condition that binds employees and their companies (Meyer and Hersovitch in Istijanto (2013)). Gilbert (in Kusumo 2006) states that Loyalty is knowing each other among members of a large group, and they have a strong sense of belonging, there are many friends in the company, and outside the company, they have personal relationships at work.

In general, loyalty can be defined as loyalty, dedication and trust to an individual or organization, in which there is a sense of love and responsibility, trying to provide the best service and behavior. (Rasimin, 1988). Siswanto (2005) also argues the same thing that loyalty is a person's determination and ability, they have full awareness and responsibility to obey, implement and practice the rules. Positive work attitudes and behaviors can prove this.

Further Porter, Bigley, and Steers (2003) stated that the emergence of job loyalty is influenced by factors: (a) personal characteristics, including age, length of service, gender, education level, achievements, race, and personality traits; (b) job characteristics, including work challenges, work stress, opportunities for social interaction, job enrichment, task identification, task feedback, and task suitability; (c) Company design characteristics, which can be seen from centralization, level of formality, level of participation in decision making, at least have shown various levels of association with corporate responsibility, functional dependence and corporate control functions; and (d) Experience gained in the company, namely the internalization of individuals towards the company after carrying out work in the company, including a positive attitude towards the company, a sense of trust in the company so as to create a sense of security, feeling a sense of personal satisfaction that can be fulfilled by the company.

Employee loyalty is not only loyalty or organizational presence, but also includes thoughts, concerns, ideas and dedication that are fully committed to the organization. Employee loyalty today is not only to carry out their duties and obligations as employees in accordance with the job description or also known as the job description, but also to do their best to get the maximum benefit from the organization. (Utomo, 2002).

Based on field observations and interviews with the *Human Resources Manager* of PT Sucofindo (Persero) Padang Branch on January 28, 2021, it is suspected that the problems expressed are related to low employee loyalty. This can be seen from the employee's work enthusiasm that has not been optimal and the low level of achievement of work quality with company targets, employee initiative is also still very minimal. In addition, not a few employees of PT Sucofindo (Persero) Padang Branch still violate the rules on the attendance side, by making absences without information or being late, so that the discipline side also looks very minimal. The following are the results of data processing on the percentage of absence without information of employees:

Table 1. Data on the percentage of absence without information of employees of PT Sucofindo (Persero) Padang Branch in 2020

No.	Month	Late Attendance	Percentage of Late Absences
1	January	6	8,0%
2	February	5	6,7%
3	March	3	4,0%
4	April	5	6,7%
5	May	6	8,0%
6	June	5	6,7%
7	July	4	5,3%
8	August	3	4,0%
9	September	3	4,0%
10	October	4	5,3%
11	November	5	6,7%
12	December	6	8,0%

Source: *Human Resources Department of PT Sucofindo (Persero) Padang Branch, 2020*

The diagram above can be seen, that indeed the percentage rate of absence without information for employees is still quite high. The company's tolerance limit is at 5% but the average that can be taken from the data above during January - December 2020 is 6.11%. From this figure, it can be seen that the level of loyalty of PT Sucofindo (Persero) Padang Branch employees to be willing and obedient in complying with regulations is still lacking. In addition, it is also reinforced by the results of data processing on the Percentage of Late Attendance of employees:

Table 2. Data on the Percentage of Late Attendance of Employees of PT Sucofindo (Persero) Padang Branch in 2020

No.	Month	Late Attendance	Percentage of Late Attendance
1	January	7	9,3%
2	February	4	5,3%
3	March	2	2,7%
4	April	8	10,7%
5	May	9	12,0%
6	June	1	1,3%
7	July	2	2,7%
8	August	3	4,0%
9	September	5	6,7%
10	October	3	4,0%
11	November	4	5,3%
12	December	8	10,7%

Source: Human Resources Department of PT Sucofindo (Persero) Padang Branch 2020

The table above also shows that the percentage of late attendance of employees is still quite high. The company's tolerance limit is at 5%, while the percentage of late attendance of employees for the January - December 2020 period is at 6.22%. This shows that the awareness and willingness of employees to have disciplinary behavior is still not optimal. So it is suspected that awareness is related to the low employee loyalty of PT Sucofindo (Persero) Padang Branch.

PT Sucofindo (Persero) Padang Branch has 75 employees, but in fact not a few employees are quick to decide to quit or move to another job. In addition to the previous field facts, here are data that further support the researcher's conjecture. Here is Figure 3 that the author has accumulated:

Table 3. Staff Turnover Data of PT Sucofindo (Persero) Padang Branch 2016-2020

No.	Month	Staff Turnover	Percentage of Staff Turnover
1	2016	5	6,7%
2	2017	6	8,0%
3	2018	4	5,3%
4	2019	4	5,3%
5	2020	7	9,3%

Source: Human Resources Department of PT Sucofindo (Persero) Padang Branch

Based on table 3 above, the percentage of staff turnover in 2018 was 7.01%. Meanwhile, through a brief interview with the Human Resources Manager, the company's target is 5%. This proves that the employee turnover rate of PT Sucofindo (Persero) Padang Branch is still quite high. This shows that the level of employee loyalty in having the desire to work and stay with PT Sucofindo (Persero) Padang Branch is also still low.

Leaders and leadership are important factors in influencing their employees in order to achieve company goals. Leadership is basically an activity to influence and direct other people or even groups to achieve a goal. A leader must be able to create a harmonious work environment with his employees and also foster cooperation, direct and encourage employee morale so that it can lead to maximum intention and performance according to his abilities. Good leadership will explain how work should be done not by forcing someone to do the job. Therefore, the leader of a company must have a leadership style that is in accordance with the conditions of the company.

Transformational leadership includes a more intense relationship between leaders and their employees. A

more intense relationship with employees can influence employees to want to carry out orders happily without coercion. Transformational leadership shows leaders who provide individual attention by giving tasks that are in accordance with the abilities of employees, and are able to apply intellectual stimulation to their employees such as how to analyze a situation and how to make employees creative in developing it.

In addition to transformational leadership that affects work implementation, work environment factors also have an important effect on work implementation. According to Stewart's journal in Saputra & Mulia (2020) Although the work environment does not carry out the production process, the work environment has a direct effect on employees who carry out the production process. The mismatch of the work environment can create discomfort for employees in carrying out their tasks so that employees do not work effectively and efficiently.

Organizational Culture according to Wambugu (2014) states that organizational culture is a differentiator between one organization and another because it includes concepts, systems, ideas, procedures, habits, traditions and customs that vary in each organization. In addition Awadh & Alyahya (2013) said that in creating an effective corporate culture that can help in providing good business decisions must be in the formation of beliefs in norms, values and behavior in the organization. Both opinions further support that an organizational culture is very necessary for the smooth running and survival of a company. The continuity between the influence of loyalty levels from a strong organizational culture is further demonstrated by the theory of Robbins (2007) A strong culture will obviously have a great influence on the attitudes of organizational members compared to a weak culture. A strong culture will show high agreement on organizational goals among its members. Unanimity towards the goal will form an attachment, loyalty, loyalty and organizational commitment.

From the theory above, it can be seen that organizational culture is one of the factors in determining the high and low employee loyalty. Organizational culture is a tool to help companies maintain the capital they have invested. With a good and promising organizational culture, employees will continue to be willing to satisfy the company in making high achievements and decide to remain loyal to develop their potential with the organization. Each individual who will join the company will certainly bring different cultures and backgrounds. The company must have a strategic ability towards human resources in blending and fusing two different cultures between the values, systems, vision, mission and concept of the company's type of business with each culture and different backgrounds of each employee. The fusion between the two cultures will be an agreement that benefits both parties which materializes into an organizational culture to work together to achieve common goals.

According to Lako (2004) in Indonesia, most actors and even organizational managers are less aware and understand the strategic role of organizational culture perception. It can be seen that current HR-related problems arise due to the lack of organizational awareness of the strategic role in managing its human resources. So that the implementation of organizational culture also looks still lacking and weak. According to some of the symptoms and facts seen from the field data described, it can be concluded that PT Sucofindo (Persero) Padang Branch still has weak *feedback* from employees in providing loyalty. Where if this continues to be allowed, it will become a very detrimental problem for the company. For this reason, it is better if the organization of PT Sucofindo (Persero) Padang Branch starts moving to optimize employee loyalty for high performance by approaching its organizational culture. The organizational culture approach is thought to be one of the factors that influence the level of employee loyalty at PT Sucofindo (Persero) Padang Bandung Branch. So it is expected that by understanding and finding the right solution to the phenomena that occur, the business location will find a solution to the problem.

The importance of leadership style to employee loyalty requires leaders to carry out their duties properly so that all parties in the organization can carry out their duties properly. If employees work in an organization, and these employees are motivated by adequate facilities and accepted by employees, then employees will be more loyal to the organization. Therefore, the tendency for employees to stay in the organization is very large.

From the findings of initial observations and interviews that have been carried out, researchers found a problem that affects employee loyalty at PT Sucofindo (Persero) Padang Branch is still low, namely a leadership style that has not been able to create better employee performance, a work environment that is not sufficient to support employee performance and low employee motivation.

## **2. Literature Review**

### **Employee Loyalty**

Loyalty in the Big Indonesian Dictionary means obedience and loyalty. According to Herscovitch and Meyer (2002), employee loyalty is a physical condition that limits employees and companies. According to Herscovitch and Meyer (2002), employee loyalty is a physical condition that limits employees and companies. According to Handoko (2012) According to Handoko (2012), loyalty refers to an individual's commitment/relationship with an organization to achieve goals effectively and efficiently based on principles, slogans, and a good reputation, without being influenced by external factors...

According to Porter, Bigley, and Steers (2003) According to Porter, Bigley, and Steers (2003), loyalty to the organization is the attitude of employees in identifying their workplace which is characterized by a desire to work and do their best. As a process of employee behavior, employee loyalty makes a clear decision, that is, if they do not make mistakes, they will not leave the company.

An employee is a person who sells services (ideas and energy) and receives a predetermined remuneration (remuneration), who is obliged and obliged to carry out the work provided and is entitled to a basis according to the agreement. (Marzuki, 2018).

Employee loyalty can create a sense of responsibility. With a sense of responsibility, employees will develop a sense of belonging. In an effort to build employee loyalty to the company, company leaders must strive to make employees equal to other employees. In fact, if there are too many employees, it is very difficult to generate loyalty or loyalty to all companies.

Employee loyalty is one of the evaluation elements to determine employee loyalty to their job, position and organization, this is reflected in the willingness of employees to maintain and maintain the internal and external organization at work from destruction by irresponsible people. Organizations need employee loyalty, because this is the mental attitude of employees, even though the organization is in good or bad condition also shows loyalty to the organization. (Ardana et al., 2012).

The explanation above can be concluded that employee loyalty is the attitude and behavior of being loyal, obedient, obedient, trying their best, making a definite decision not to leave the company, willing to sacrifice themselves with full professional responsibility to the company.

### **Transformational Leadership Style**

Transformational leadership style, according to Bass (in Muenjohn & Armstrong 2008) is defined as the process by which a leader tries to raise followers' awareness of what is right and important and motivates followers to do things that exceed possible expectations. According to Robbins (2007) Transformational leadership style is the behavior of leaders who provide individualized consideration and intellectual stimulation and have charisma.

Bass, Avolio, & Atwater (1996) stated that the effect of transformational leadership style on followers is to invite them to go beyond their self-interest for the good of the group, organization, or society, while also raising followers' expectations and abilities, and their willingness to take risks. From his research, Bass (in Luthans 2006) concluded that transformational leadership style leads to high performance in organizations that face the demands of renewal and change.

Munawaroh (2011) Munawaroh (2011) argues that transformational leadership is described as a leadership style that can arouse or motivate employees, so that they can develop and achieve performance at a high level, beyond what they previously expected. Followers of a transformational leader feel trust, admiration, loyalty, and respect for the leader, and they are motivated to do more than was initially expected of them.

According to Tichky & Devanna (in Jewell & Siegall, 1998), leaders who use transformational leadership styles recognize the need for organizational change, the ability to see the future, mobilize commitment to foresight, establish a corporate culture to support change, and see new signals of change.

So it can be concluded that transformational leadership style is a leadership style used to raise awareness and motivate followers to do something beyond possible expectations for the good of the group.

### **Work Environment**

A good work environment is a source of inspiration for employees today, because having a work environment that is conducive to supporting the attitudes and actions of employees at work will be more directed and sustainable to achieve the previously set organizational goals.

According to Siagian (2013) According to Siagian (2013), the work environment is a good working atmosphere, especially in a well-structured organization. An organization with an imperfect organizational structure can also cause a lot of bad work environment. Supportive colleagues, workspace conditions and adequate work equipment. From these two perspectives, it can be explained that the creation of a good working environment is highly dependent on the form of organizational structure.

Improper organizational arrangements can lead to a bad atmosphere. In addition, the relationship between employees and leaders is also important in the work environment. A good relationship between employees and leaders can create a good working environment. A good work environment can provide a sense of security to employees in carrying out their duties.

Opinion Nitisemito (2004) The work environment is a situation that is included in the structure and process of organizational activities, which reflects the satisfaction of actors or employees, and helps achieve the desired goals of the organization as a whole or actors or employees ...

A good work environment in practice is a source of inspiration for employees at work, because the values of the work atmosphere need to be creatively transformed into the attitudes and actions of employees at work. In this process employees face continuous challenges, namely if their attitudes and actions are in line with the work atmosphere, then each employee will get benefits that support their career. (Tangkilian, 2005).

The work environment in the organization is very important for management. Even if the work environment does not carry out the production process within the organization, the work environment will directly affect the employees who carry out the production process. An employee-centered work environment can improve performance. Conversely, an inappropriate work environment will reduce performance and ultimately lead to a poor organizational culture. If humans can carry out activities as well as possible, healthy, safe and comfortable, the work environment is considered good or appropriate. In the long run, the consequences of the work environment will be seen. In addition, an unfavorable work environment may require more labor and time, and does not support the design of an efficient work system. (Saputra & Mulia, 2020).

According to Sedarmayanti (2014) According to Sedarmayanti (2014), the environment is all the tools and materials at hand, the environment around where a person works, how he works and his personal or group work arrangements. The work environment refers to all things around the worker, which will affect the implementation of the assigned tasks.

According to some of the definitions above, it can be said that the work environment is everything that surrounds employees, both in physical and non-physical forms that can directly or indirectly affect employees and their work.

### **Organizational Culture**

It is undeniable that people's daily lives are inseparable from the cultural ties that have been created. Also the same as the organizational culture in the company, the company needs a culture that can reflect the character of its business in accordance with the vision and mission to be achieved. No less important organizational culture can also distinguish a company from other companies, so that the company has a characteristic. Over time, culture must be formed in an organization, and if the culture reflects good values, it can also benefit the company.

Here are some theories about Organizational Culture put forward by experts:

- a. Robbins & Judge (2012) argue that, "Organizational culture is a system that refers to the shared meaning shared by each member that distinguishes the organization from other organizations. This shared meaning system, when considered further, is a key characteristic that is valuable to the organization."
- b. Suwanto (2010) states that, "Organizations or companies in general consist of various people with various personalities, backgrounds, egos and emotions."

Organizational culture is formed from the sum and interaction of these various people. In simpler terms, the definition of organizational culture is a unit of people who have the same beliefs, goals and values." With the sources described above, it can be concluded that organizational culture is a value, ideology, beliefs and expectations shared between the organization and employees that are believed and agreed upon together in behaving and doing work where it eventually becomes a habit that binds and eventually becomes a characteristic that makes a difference between organizations.

### **3. Research Methods**

The method in this research was carried out using quantitative methods. Quantitative methods are data displayed in digital form that can be calculated and processed by statistical methods. (Sugiyono, 2016). Quantitative method to describe and explain the effect of independent variables on the dependent variable, namely the transformational leadership style variable, work environment and organizational culture on employee loyalty variables.

The population under study is a collection of individuals or objects with the same characteristics. Population is a general field consisting of objects and topics with certain qualities and characteristics, these objects and topics are determined by researchers to study and draw conclusions. (Sugiyono, 2016). From this explanation, the researcher determined that the population in this study were 75 employees of PT Sucofindo (Persero) Padang Branch.

The sample is a part or representative of the population under study. If the population is large and it is not possible to study everything in the population due to limited funds, time and energy, then researchers can use

samples that will be made by the population to conduct research. (Sugiyono, 2016). The sampling technique used in this study is the Saturated Sampling method. According to Sugiyono (2016) Saturated sampling is a sampling technique where all members of the population are used as samples, which is usually done when the population is relatively small. So that the number of samples in this study were 75 employees of PT Sucofindo (Persero) Padang Branch.

The type of data used in this research is quantitative data obtained from organizations or institutions, the data can be verified with numbers, then processed and analyzed in accordance with analytical methods so that the results can be seen.

Some of the data sources used in this research are:

1. Primary data, namely data obtained directly through questionnaires to employees of PT Sucofindo (Persero) Padang Branch.
2. Secondary data, namely data obtained from the documentation of PT Sucofindo (Persero) Padang Branch by collecting data on organizational history, number of employees, organizational structure, and literature issued and other data related to the research.

A study requires data analysis and its interpretation which aims to answer researchers' questions in order to reveal certain social phenomena. Data analysis is the process of simplifying data into a form that is easier to read and interpret. The method chosen for data analysis must be in accordance with the research pattern and the variables to be studied.

The model used in this study is a causality model or influence relationship. To test the hypothesis that will be proposed in this study, the analysis technique that will be used is SEM or Structural Equation Modeling which is operated through the AMOS program. Research modeling through SEM allows a researcher to answer research questions that are dimensional (i.e. measuring what the indicators of a concept are) and regression (measuring the effect or degree of relationship between factors that have been identified dimensions).

#### 4. Results and Discussion

The data analysis used in this research is *Structural Equation Modeling* (SEM) by first testing the dimensions with *confirmatory factor analysis*. The SEM model will also be analyzed to obtain and evaluate the suitability of the proposed model. After knowing all the results of data processing, then it will be discussed and the last is to draw conclusions based on the results of the analysis.

##### Descriptive Statistics

To find out the average value of each indicator in this study, descriptive statistics are used on the research variables, measurement of respondents' answers from the questionnaires that have been distributed, the measurements in this study use the following intervals:

$$\text{Interval} = \frac{\text{Nilai Maksimum} - \text{Nilai Minimum}}{\text{Kelas Interval}}$$

$$\text{Interval} = \frac{5-1}{5} = 0,8$$

Based on the intervals above, the interpretation of the interval class values for the answers obtained from the respondents is as follows:

Table 4 Interpretation of Interval Class Values

Interval	Interpretation
1,00 - 1,79	Very Low
1,80 - 2,59	Low
2,60 - 3,39	Medium
3,40 - 4,19	High
4,20 - 5,00	Very High

Source: Data Processing Results 2021

The interpretation table of the interval class class values above can be used as a reference for descriptive statistical results on the average of each indicator tested in this study, as for the results can be seen from the following table:

Table 5 Descriptive Statistics of Transformational Leadership Variables

Grain	N	Min	Max	Mean
KT1	75	1	5	3,68
KT2	75	1	5	3,51
KT3	75	2	5	3,89
KT4	75	1	5	3,75
KT5	75	1	5	3,76
KT6	75	1	5	3,87
KT7	75	2	5	3,85
KT8	75	1	5	3,52
KT9	75	1	5	3,68
KT10	75	1	5	3,83
<b>Average</b>				<b>3,73</b>

Source: Primary Data Processed, 2021

In table 5 above, it can be seen that the descriptive statistics of respondents in providing an assessment in each variable item indicate the level of respondents' assessment of the Transformational Leadership variable. The average research respondent in this assessment is 3.73 with a maximum score of 5 and a minimum of 2. This shows that the respondents' answers to the Transformational Leadership variable are high because they are between 3.40 - 4.19.

Table 6. Descriptive Statistics of Work Environment Variables

Grain	N	Min	Max	Mean
LK1	75	1	5	3,09
LK2	75	1	5	3,09
LK3	75	1	5	3,81
LK4	75	1	5	3,85
<b>Average</b>				<b>3,46</b>

Source: Primary Data Processed, 2021

In table 6 above, it can be seen that the descriptive statistics of respondents when giving an assessment in each variable item indicate the level of respondents' assessment of the work environment variable. The average research respondent in this assessment is 3.46 with a maximum score of 5 and a minimum of 1. This shows that the respondents' answers to the work environment variable in this category are high because they are between 3.40 - 4.19.

Table 7 Descriptive Statistics of Organizational Culture Variables

Grain	N	Min	Max	Mean
BO1	75	1	5	4,28
BO2	75	2	5	4,24
BO3	75	2	5	4,44
BO4	75	2	5	4,20
BO5	75	2	5	4,20
BO6	75	3	5	4,29
BO7	75	1	5	4,20
BO8	75	1	5	3,64
BO9	75	2	5	4,03
BO10	75	2	5	4,04
BO11	75	2	5	4,36
BO12	75	2	5	4,21
<b>Average</b>				<b>4,18</b>

Source: Primary Data Processed, 2021

In table 7 above, it can be seen that the descriptive statistics of respondents when giving an assessment in each variable item indicate the level of respondents' assessment of the organizational culture



variable. The average respondent's research in this assessment was 4.18 with a maximum score of 5 and a minimum of 2. This shows that the respondents' answers to this organizational culture variable are high because they are between 3.40 - 4.19.

Table 8 Descriptive Statistics of Employee Loyalty Variables

Grain	N	Min	Max	Mean
LKr1	75	1	5	3,55
LKr2	75	1	5	3,77
LKr3	75	1	5	3,64
LKr4	75	1	5	3,59
LKr5	75	1	5	3,64
LKr6	75	1	5	3,57
LKr7	75	1	5	3,69
LKr8	75	1	5	4,11
LKr9	75	1	5	3,88
LKr10	75	1	5	3,36
LKr11	75	1	5	3,93
LKr12	75	1	5	4,17
Average				3,74

Source: Primary Data Processed, 2021

In table 8 above, it can be seen that the descriptive statistics of respondents when giving an assessment in each variable item indicate the level of respondents' assessment of the employee loyalty variable. The average research respondent in this assessment is 3.74 with a maximum score of 5 and a minimum of 1. This shows that the respondents' answers to the employee loyalty variable in this category are high because they are between 3.40 - 4.19.

## Discussion

### The Relationship between Transformational Leadership and Employee Loyalty of PT Sucofindo (Persero) Padang Branch.

The parameter estimate of the *standardized regression weight* coefficient value produces a value of 0.580 and a C.R value of 3.164, indicating that the relationship between transformational leadership and loyalty is positive. So it can be concluded that the better transformational leadership is applied, the higher the level of employee loyalty. Testing the relationship between the two variables obtained a probability value of 0.002 ( $p < 0.05$ ), then (H1) which contains "Transformational leadership has a positive and significant effect on employee loyalty" is supported and it can be stated that transformational leadership has a direct influence on employee loyalty.

Employee loyalty to the company is loyalty or a form of deep emotional attachment to the company due to satisfaction with the policies applied by the company to him. Poerwopoespito (2004) states that loyalty to work is reflected in the attitude of employees who devote their abilities and expertise, carry out tasks with responsibility, discipline and honesty at work. Poerwopoespito (2005) also explained that the attitude of employees as part of the company is loyal.

Every company has a vision and mission that it wants to achieve. Achieving the vision and mission is done by arranging various tasks and roles that form an organizational structure. In the structure of an organization, there must be a leader to direct and manage existing resources so that organizational goals are achieved. The approach of a superior to his subordinates in leading an organization is reflected in his leadership style. The leadership style of a superior who is different in each organization causes differences in the results achieved by each organization.

In the formation of work loyalty, individual self-awareness is needed, either directly or indirectly, which is supported by various factors. Transformational leadership style is one of the factors determining employee loyalty to the company. Sense of power is a form of transformational leadership in creating employee empowerment. Empowerment is an intrinsic need from within individuals to have the freedom to make decisions (self-determination) and feel confident in their own effectiveness (self-efficacy) (Spreitzer, 1997).

According to Martoyo (in Syahril, 2004), one of the factors that affect employee loyalty is employee job satisfaction. *Job satisfaction* is an emotional state of employees that occurs or does not occur between the value of employee work rewards and the company or organization with the level of reward value that is desired

by the employee concerned. From the results of this study, it can also be seen that transformational leadership style is a very important factor in increasing employee loyalty. This means that the magnitude of the direct influence between leadership on loyalty is greater. The results of this study have supported the research of Wisesa (2008) which has mentioned that leadership style has a very real and strong relationship with employee loyalty.

The results of this study are also in line with research conducted by Buchanan and Boswell (in Syahrial, 2004). It is said that loyal employees are employees who can communicate desires in the form of satisfaction or dissatisfaction at work to the leadership. Employee loyalty to the organization means a person's willingness to perpetuate a relationship with his organization if necessary, at the expense of his personal interests without expecting anything (Wignyo - Soebroto, 1987). The willingness of employees to maintain themselves working in the organization is important in supporting employee commitment to the organization where they work. This can be pursued if employees feel that there is security and satisfaction in the organization where they join to work.

Transformational leadership builds team spirit through the development of enthusiasm, high moral standards, integrity and optimism. Through this ability, transformational leadership is able to build individual awareness and loyalty of subordinates in the organization. The transformation process is expected to have an impact on the commitment of a subordinate to the organization. Transformational leadership is a leader who devotes his attention to the problems faced by his followers and the development needs of each of his followers by providing enthusiasm and encouragement to achieve his goals (Robbin, 2007: 473). When employees feel that their needs are considered by the leadership, trust in the company will grow. Furthermore, this trust causes an employee to try to give something of himself for the benefit of the company and try to remain a member of the company.

The essence of transformational leadership is sharing of power. A transformational leader involves subordinates together to make changes or often called a form of empowerment. Through this concept, employees are given greater authority and responsibility in decision-making. It also requires communication or exchange of information and knowledge between leaders and subordinates. In this way subordinates can truly understand their duties and can make a real contribution to the achievement of organizational achievement.

The results of grouping subject scores show that employee perceptions of transformational leadership style are in the moderate category. Employees feel that leaders pay enough attention to their needs regarding security, comfort and satisfaction within the company. Through this concept, subordinates are given greater tasks and authority in decision making. With his belief, subordinates will make a real contribution to the achievement of organizational achievement and behave more effectively. The leadership style of a superior will relate to employee loyalty. Therefore, it is necessary to know the right leadership style to be applied in an organization. Transformational leadership is a leadership style that prioritizes the fulfillment of the highest level of Maslow's hierarchy, namely the need for self-esteem and self-actualization. This transformational leadership is truly defined as true leadership because this leadership really works towards the goal of directing the organization to a goal that has never been achieved before (Keller 1992).

The results of a properly implemented leadership style will create a conducive organizational life that creates a sense of employee loyalty to their superiors due to mutual need between one another. Transformational leadership style has a very important role in the formation of employee loyalty. These roles include: fostering employee commitment, being able to arouse employee enthusiasm, treating employees individually and making intellectual contributions to employees. From these various roles, it appears that the transformational leadership style is relational because it considers more about maintaining the relationship between superiors and subordinates and the leader's orientation is also to meet the needs of subordinates so as to create a safe and comfortable atmosphere within the company which is expected to increase employee loyalty.

#### **The Relationship between Work Environment and Employee Loyalty of PT Sucofindo (Persero) Padang Branch**

The parameter estimate of the standardized regression weight coefficient value produces a value of 0.291 and a C.R value of 2.815, indicating that the relationship between the work environment and employee loyalty is positive. So it can be concluded that the better the work environment is implemented, the higher the level of employee loyalty. Testing the relationship between the two variables indicates a probability value of 0.005 ( $p < 0.05$ ), then (H2) which contains "work environment has a positive and significant effect on employee loyalty" is supported and it can be stated that the work environment has a direct influence on employee performance.

The work environment in the company is very important for management to pay attention to. Although the work environment does not carry out the production process in a company, the work environment has a direct

influence on employees who carry out the production process. Another factor that can make employees loyal to the company is the existence of a safe and comfortable work environment. A satisfactory work environment for employees can improve performance, otherwise an inadequate work environment can reduce employee performance and ultimately employee motivation decreases.

This shows that a conducive, comfortable and safe work environment will have an impact on increasing employee loyalty. Similarly, research conducted by Purwandari (2008) found a positive effect of the work environment on employee work loyalty. Comparable to Amanah, et al (2012) the work environment partially has a positive and significant effect on employee loyalty.

Acceptance of this second hypothesis shows that the work environment does affect employee loyalty. The work environment here, not only physical factors, such as buildings, equipment and facilities, but also involves psychological relationships with fellow employees and superiors. Employee comfort while in the work environment will certainly increase loyalty to the company. Creating a pleasant work atmosphere will certainly make employees feel at home working. If employees have a good relationship with other fellow employees, greeting each other, helping each other when there is difficulty, it will certainly be very pleasant. Moreover, if the relationship between employees and their superiors is also good. Superiors should know their subordinates, at least know their names, so that, when passing by subordinates can greet by name. That way subordinates feel cared for. This will certainly generate respect from subordinates. Superiors should also encourage their subordinates to work better. This shows that superiors care about the performance of subordinates, and this will certainly further improve the relationship between superiors and employees who are subordinates.

The results of this study are in line with research from Andromike Maineldi, Susi Hendriani and Iwan Nauli Daulay who examined the "Effect of Compensation and Work Environment on Employee Loyalty at PT. Jatim Jaya Perkasa Kebun Banjar Balam Indragiri Hulu shows that the work environment has a significant influence partially on employee loyalty at PT. Jatim Jaya Perkasa Kebun Banjar Balam Indragiri Hulu, the results show that there is a significant influence between the work environment on employee loyalty in the company.

#### **The Relationship between Organizational Culture and Employee Loyalty of PT Sucofindo (Persero) Padang Branch**

The parameter estimate of the standardized regression weight coefficient value obtained a result of 0.177 and a C.R value of 1.270, this indicates that the relationship between organizational culture and employee loyalty is positive. So it can be concluded that the better the organizational culture is implemented will increase employee loyalty. Testing the relationship between the two variables indicates a probability value of 0.204 ( $p > 0.05$ ), then (H3) which contains "organizational culture has a positive and insignificant effect on employee loyalty.

Robbins (2002) argues that, a strong culture will clearly have a great influence on the attitude of each member of the organization compared to a weak culture. The organizational goals of the members will show high agreement which is reflected in a strong culture. Unanimity towards predetermined goals will form an organizational loyalty, loyalty, attachment and commitment. So that in the end it can affect employee performance in achieving organizational goals." In addition, it is strengthened by the following theory, Purnama (2013) states that, "Employee loyalty to the leader is transformed in the employee's self-awareness regarding ethical values to direct resources for the benefit of the organization."

From the above understanding, it can be understood that organizational culture also plays an important role in creating employee loyalty. As has been described in previous theories that organizational culture is a belief, values, norms and patterns that apply and become a habit in the company. Where these things affect the actions and behavior of members in the organization and will have implications for employee loyalty. Organizational leaders have the authority to make decisions, delegate to subordinates including determining the culture that will be adopted by the organization according to company needs. Employee loyalty tends to arise in a good culture by good leaders. With a good understanding of organizational culture, employees will foster loyalty to the company. This quality will reduce the tendency of members to leave the organization. Organizational values and beliefs that can be understood, accepted and contribute to a good influence will be used as a sustainable culture by employees. This will become a habit and pattern of daily behavior when employees work, so that it will create a quality of human resources in terms of loyalty which is very beneficial for the company.

## 5. Conclusion

### Conclusion

Based on the results of the analysis that has been carried out, it can be concluded that:

1. Transformational leadership has a positive and significant effect on employee loyalty of PT Sucofindo (Perserot) Padang Branch. Testing the relationship between the two variables obtained a probability value of 0.002 ( $p < 0.05$ ), meaning that the better transformational leadership is applied will increase the level of employee loyalty.
2. The work environment has a positive and significant effect on employee loyalty of PT Sucofindo (Perserot) Padang Branch. Testing the relationship between the two variables obtained a probability value of 0.005 ( $p < 0.05$ ), meaning that the better the work environment is implemented will increase the level of employee loyalty.
3. Organizational culture has a positive and insignificant effect on employee loyalty of PT Sucofindo (Perserot) Padang Branch. Testing the relationship between the two variables obtained a probability value of 0.204 ( $p < 0.05$ ), meaning that the better the organizational culture is implemented, the higher the level of employee loyalty.

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