

## **The Implication of Organizational Culture and Transformasional Leadership Enhancement toward Organizational Commitment**

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**Abstract:** *This causal research is aimed at obtaining if organizational commitment is affected by organization culture, and transformational leadership. The research was conducted at private university in Bogor by using survey method with path analysis tested on 80 participants selected as samples out of 115 randomly samples frame. The result indicates that organizational commitment directly affected by organizational culture that has the greater influence. Based on the findings it is concluded that variation of the organizational commitment are affected by organizational culture and transformational leadership. Therefore, organization culture, and transformational leadership should be put into consideration in developing organizational commitment.*

**Keywords:** *Organizational Commitment, Organizational Culture, Transformational Leadership*

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### **1. INTRODUCTION**

Chairman of study program in a university plays a strategic role in implementing the development of the three pillars Indonesian's education which is to teach, to research and to serve. However, that strategic role will run optimally according to function if the leader in possession of high organizational commitment.

According Tilaar (2006) high organizational commitment is needed to improve the quality of education that has been steadily declining. High organizational commitment is also required in private higher education for the purpose of maintaining and developing the quality.

Observing private higher education across Bogor, Indonesia, it is found the existence of low organizational commitment. Indication of the lack of commitment in the organization is observable from two aspects: accreditation and the development of the three pillars known as *Tridarma*. In the aspect of accreditation, it is found that some courses in Bogor, West Java, Indonesia do not pay enough attention to accreditation resulting in the status of non-accredited for that program. From 81 courses available in 18 private higher educational institutions, 53% or 43 study programs earn accreditation of less than C (the lowest), even worse 29 or 36% are not accredited. In a larger scale, in West Java and Banten provinces, it is recorded 40% of 1,885 or 754 courses in 478 private higher educational institutions are accredited less than C and most do not have accreditation from the National Accreditation Board of Higher Education.

The second aspect private higher educational institutions generally are weak in developing the three responsibilities of Higher Education, especially in the field of research and community service that the private university is perceived as less beneficial by society (Soedijarto, 2004). Faculty productivity in research is undervalued and community service often become commercial arena (Conny R. Semiawan, 1999). Data from a private university in Bogor show that between 2000-2010 only generated 62 community service activities, while the number of research from 2004-2010 were only 40 studies. The existence of low organizational commitment is a major problem so the efforts are necessary to overcome including to improve organizational commitment by enhancing the factors that can influence the improvement of organizational commitment.

Based on theories of organization, many factors are assumed to affect the organizational commitment. Due to several limitations, the study of organizational commitment problem in this research is limited to three variables: organizational culture, transformational leadership as independent variables and organizational commitment as dependent variables.

## 2. LITERATURE REVIEW

The influence of organizational culture on organizational commitment investigated by Renyawijoyo (2003) resulting that organizational culture influence on organizational commitment with R Square of 0.139, or 13.9%. The research was supported by the results of Khairul Baharum (2002) finding the strong influence of the employees' organizational commitment to cultural values as shown by the correlation value of 0.642 and the value of Adjusted coefficient R = 0.383. Muriman (2008) also examined the influence of organizational culture and stress on organizational commitment and job satisfaction (Studies in the National Police sector of the East Java Regional Police) then concluded that organizational culture has positive and significant effect on organizational commitment.

The influence of transformational leadership on organizational commitment described in several studies cited by Bass and Riggio (2006) showing the relationship between transformational leadership on work commitment, Avolio et.al, (2004) that there is the effect of transformational leadership on the commitment of 245 employees from seven companies. Rai & Sinha (2000) conducting research on 261 managers of Bank of India shows that transformational leadership affects employee commitment. Other research conducted by Brown & Moshavi (2002) in a study of 70 university leaders shows that transformational leadership significantly affects employee commitment. In Indonesian setting, Silalahi (2011) describes the results of research that shows the positive effects of transformational leadership and organizational commitment.

The existence of studies on organizational commitment to the variables described above show that organizational commitment as management aspect is interesting to explore. However, the difference in this study with previous research is that this study is conducted on private higher institutions with the heads of study program as analysis units. Low organizational commitment of the heads of study program is a problem that must be addressed. On this assumption, this study was conducted.

Organizational commitment is an attitude of a member in the organization that is the willingness to accept and maintain the organization (Thomas, 1982), the desire to determine as a member of the organization, the desire to show the effort to the organization and support the goals and values (Gurses and Demiray, 2009), the strong recognition and engagement of a person in a particular organization (Purk & Lindsay 2006), showing their attachment to members of the organization with the regulations established by the organization (Luthan, 2005), the tendency to be bound consistently to the organization's activities in forms of affective commitment, continuance commitment and normative commitment (Hodge and Anthony, 1988).

Ivancevich, *et. al* (2008) describes the commitment is a sense of identification, involvement, and expressed by and employee loyalty toward the company. Newstrom and Davis (1998) states that organizational commitment of employees is also called employee loyalty which is a level or degree of employee identification with the organization and wants to continue his active participation in these organizations. Gibson (2006) states that the commitment to an organization involves three attitudes: 1) a sense of identification with a organization's goals; 2) a feeling of involvement in organizational duties and 3) feeling of loyalty for the organization.

According to Luthans (2005) organizational commitment is associated with: 1) a strong desire to become a member of a group; 2) willingness to put high effort for the organization; 3) a certain confidence to accept the values and goals of the organization. Psychologically, commitment according to Reilly and Chatman (1994) is the result of an individual's psychological considerations to be bound by the organization so the individual is willing to work, be loyal and believe in the values that exist in the organization.

Kreitner and Kinichi (2008) explains that the organization's commitment to a kind of power that exist within the organization to achieve organizational goals. Yukl (2006) states that the commitment and targets describe an outcome that is in a person fit in with the decision or guidance from organizations / institutions, and make a great effort to carry out guidance or implement decisions efficiently.

Synthesis of various concepts in organizational commitment is the loyalty of organization member reflected in the attitude of loyalty, responsibility, effort and seriousness in abiding organization rules as well as to realize the objectives of the organization. The indicator of organizational commitment, namely (1) the attitude of member' loyalty to the organization, (2) the responsibility to the organization, (3) the willingness for the organizational betterment and (4) complying with the rules of the organization.

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Organizational culture according to Gibson (2006) is what employees perceive and how this creates a perception of patterns of beliefs, values, and expectation. Ivancevich (2008) states organizational culture represents the perceptions held by the organization's employees). Schermerhorn (2004) describes the organization culture is the system of shared action, values and beliefs that develops within and organization and guides the behavior of its members. Armstrong (2005) states that organizational culture is a pattern of values, norms, beliefs, attitudes and assumptions of behavior and things to do. Triguno (2000) describes the organizational culture is a belief and values into the philosophy that organizational culture is a mix of the values of trust and norms defined as a pattern of behavior within an organization. Kreitner and Kinicki (2008) explains that organizational culture is formed by four key components namely the values of the founders, industry and business environment, national culture, as well as the attitude and vision of senior leaders. Hadari Nawawi (2006) explains that organizational culture is formed by all the people involved with the organization (owners, managers, and employees) that refers to the organizational ethics, work rules and type of organizational structure.

From the description above concept of organizational culture can be synthesized in question the organization's culture is the meaning of the system of values, norms, beliefs, behavior patterns adopted member, to achieve organizational goals. With indicators that will be measured as follows: (1) attitude towards the system of shared values of the organization, (2) the norms adopted by members for the purpose, (3) the spirit of the work, and (4) belief in the organization.

Transformational leadership is a new term in the leadership literature, focusing on the basic difference between leading to change and leaders for stability (Moorbead, 1995). Robbins (2007) describes a transformational leader is a leader who inspires followers to surpass their personal interests and capable of carrying a profound and extraordinary impact on the followers. Rowold and Schlotz (2009) defines transformational leadership is a leader who can articulate and represent the vision. Hall (2002) explains that transformational leadership is the ability to get people who want to change, improve the motivation of workers, employees, need and appreciate them. Yukl (2006) explains that transformational leadership is leadership that creates a focus on changes in other to help the other, watching each other, encourage and harmonize, and supervise the organization as a whole.

According to Bass and Reggio (2006), there are four components of transformational leadership, namely: 1) idealized influence), 2) inspirational motivation), 3) intellectual stimulation, 4) individual consideration.

Frans Mardi Hartanto (2009) explains that briefly transformational leadership can be defined as a way to influence others in such a way that they want and are willing to bring out the best policies and capabilities in the value creation process. Andika Dutha Bachri (2011) explains transformational leadership is leadership that has a vision for the future and is able to identify changes in the environment and is able to transform these changes into the organization; pioneered a change and motivate and inspire individuals to be creative and innovative employees, as well as build a solid team work.

From the description of some of the above concepts, it can be synthesized that transformasional leadership is an action that pioneering change, giving the vision, inspiring, motivating and building trust through intensive communication within the organization to achieve the objectives expected by all parties. Transformational leadership can be measured through indicators as follows: (1) pioneering the change, (2) providing the vision, (3) inspirational motivating, (4) building trust of subordinates, and (5) an intensive communication.

From the description of the study concept and previous relevant research, the following hypothesis is formulated:

- (1) There is a direct positive effect between organizational culture and organizational commitment,
- (2) There is a direct positive effect between transformational leadership and organizational commitment,
- (3) There is influence direct positive organizational culture on transformational leadership.

### **3. DATA COLLECTION**

The purpose of this study was to determine the effect of organizational culture and transformational leadership to organizational commitment. This research was conducted in all private higher education

institutions in Bogor. The research activities were carried out from June 2012 to July 2013. The method used was survey method with path analysis to examine the direct effects of organizational culture and transformational leadership to organizational commitment. The population in this study are 150 head of study program and after validation 80 data were ready for analysis.

The validity is performed with Product Moment correlation test. Data are valid as the value of each questionnaire items are exceeding the critical value calculated  $r = 0.361$ . Furthermore, Cronbach Alpha formula is used to determine the reliability. The single item score for Transformational Leadership, Personality and Organizational Commitment are 0.903, 0.974 and 0.839 respectively above the critical value of 0.60.

#### 4. RESULT AND DISCUSSION

Testing the influence of organizational culture on organizational commitment obtains the path coefficient = 0.238, t test = 2.246, while the value of t tabel ( $\alpha = 0.05$ ) = 2.00. This fact reveals that t test is  $>$  t tabel which means  $H_0$  is rejected and  $H_1$  is accepted meaning that this path is significant. This finding indicates the existence of the positive direct effect of organizational culture to organizational commitment. In other words if the culture of the organization is improved, it will have implications for the improvement of the organizational commitment.

The findings of the study is in line with the description of Manetje and Martins (2009 ) that organizational culture affects the work effort and commitment of the employees directly through cultural values, and indirectly through the human resources management practices. Nystrom in Manetje and Martins (2009) found relationship between organizational culture and organizational commitment. The higher one's organizational culture, the higher the commitment. With other words organizational culture has a strong positive influence on commitment.

The study findings are also consistent with the theory of Robbins (2007) that the culture of the organization include: first, it has the role of establishing the boundary meaning that culture creates a clear distinction between one organization with other organizations. Second, the culture provides a sense of identity to members of the organization. Third, it facilitates the emergence of a culture of commitment to something larger than the self-interest of the person. Fourth, the cultures increase the stability of the social system.

Readiness, engagement, loyalty and willingness of the leaders in carrying out their duties with full responsibility and loyal, can be influenced by the organizational culture that values, norms, beliefs to strengthen the thinking and behavior based on the values adopted by the organization, the involvement of members in taking action energetically in work and belief towards the organization. With the culture of the organization, organizational commitment can be influenced, in carrying out duties in accordance with the authority and responsibility as indicated in mutual agreement.

Testing the influence of transformational leadership on organizational commitment obtains path coefficient = 0.281, t test = 2.716, while the value of t tabel ( $\alpha = 0.05$ ) = 2.00. This fact reveals that t test is  $>$  t tabel which means  $H_0$  rejected and  $H_1$  accepted indicating that the path coefficient is significant. These findings can be interpreted that the direct effect of transformational leadership is positive to organizational commitment. In other words if the transformational leadership is improved, it will have implications for the improvement of organizational commitment. The findings of this study are consistent with the opinion of Bass (2006) that transformational leadership has a strong positive effect on commitment. Moreover, Colquitt et.al (2011) states that transformational leadership has a strong positive effect on commitment.

Robbins (2007) describes a transformational leader is a leader who guide or motivate their followers to get to the goal set by clarifying role and task requirements. Transformational leader inspires followers to surpass their personal interests and capable of carrying a profound and extraordinary impact on the followers. Transformational leadership affects the performance of groups and organizations, but the most powerful influence of transformational leadership is seen in the attitude of the workers, their commitment to leadership and organization. Here will be found the leadership actions that transform ideas/suggestion charismatically, direct inspiringly, build trust and build bridges of cooperation and communication within the organization.

Thus, through the actions specified, above organizational commitment is applied to form attachments/loyalty to the duties and responsibilities in the realization of strategic actions to support the tasks that have been mandated by the organization.

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Testing the influence of organizational culture on transformational leadership shows the path coefficient = 0.304, t test = 2.724, while the t tabel ( $\alpha = 0.05$ ) = 2.00. This result indicates that t test is > t tabel meaning the rejection of  $H_0$  and acceptance of  $H_1$  accepted proving that this path is significant coefficient that can be interpreted as the existence of the positive direct effect of organizational culture to transformational leadership. In other words if the culture of the organization is repaired, it will have implications for the improvement of transformational leadership.

Cultural organizations in this context is all members together giving the meaning on the system of values, beliefs, norms and behavioral patterns adopted member to achieve organizational goals, while transformational leadership is an action that a leader taking in making a change, providing the vision, motivating inspirationally, building trust and intensive communication within the organization as to achieve the objectives expected by all parties.

Transformational leadership can be implemented if followed by the meaning held among members in the system of values, beliefs, norms and behaviors adopted in the organization, so that the leader can transform activities in carrying out their duties to spearhead a renewal, motivate inspirationally, convey ideas in building trust and establish intensive communication, together with cooperative relationships with subordinates who are task- oriented, cooperative with better results. All tasks carried out is expected in accordance with the existing culture within the organization, in which all elements of the organization's members either as a leader or as a subordinate must be consistent with the values and norms adopted by the organization, so that the measures and actions taken can support the success of the organization, as it also led to building relationships of cooperation between leaders and members/ subordinates to achieve organizational goals.

The findings of this study are consistent with the findings of the study Tintami & Pradhanawati (2012) who argued that one of the indicators in the culture of the organization is leadership and management effectiveness. This suggests that organizational culture is related to leadership.

The findings are also consistent with the statement of Robbins (2007) that organizational culture is a system of shared meaning held by members that distinguishes the organization with the organizations of the other. This system of shared meaning, when observed more closely, is the main set of characteristics that are valued by the organization.

## 5. CONCLUSION

This study concludes: (1) there is a direct positive influence of organizational culture on organizational commitment. This shows that the improvement of organizational culture will have implications on improvement of organizational commitment. (2) There is a positive direct influence of transformational leadership on organizational commitment. This shows that the improvement of transformational leadership has implication in increasing organizational commitment. (3) There is a direct positive influence of organizational culture on transformational leadership. This shows that the improvement of organizational culture will have implications on improvement of transformational leadership.

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