

The Effect of Organizational Culture on Organizational Commitment (case of the Employees at Bank Nagari Branch Padang)

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Abstract—This research intends to examine whether organizational culture influences organizational commitment the case of the Bank Nagari Branch Padang employees. The population of this research is the whole employees (306 employees) and sample of this research 167 permanent Bank Nagari Branch Padang employee. Random sampling is used as technique for taking the sample. Research method by using simple linear regression. This research found that significant effect between organizational culture and organizational commitment for the employee of Nagari Bank Branch Padang. The result of determination coefficient (R²) 7,1 %. It means that the effect of organizational culture to organizational commitment is not significant. However, there is still relation between them.

Keywords— Organizational culture, organizational commitment.

I. INTRODUCTION

THE competition is getting complicated caused by technology development and globalization. It makes the organization effort to create the competitive advantage, specialities in order to the company keeps going on. If the company doesn't want to left behind, doing the change is something must be done [11]. When the company orientation to establish organizational culture, it takes human resources aspect in strategic position through the leader or manager to keep behavior norm, moral value and firm belief. The substance in organization habits are conviction and adaptation [9]. The conviction consists of value that is slogan, motto, basic assumption, general purpose of the company, trade philosophy or the principle of the trade. Meanwhile, adaptation is found the rule or norm in groups, also organization adaptation to environment alteration.

The strong habit is signed by the main values of organization that held on and agreed extensively. The more members of organization get the main values, their commitment is getting bigger to the value. Then organizational habit is getting stronger [11]. Integration to the purpose will create bond, loyalty and organizational

commitment. This condition can reduce employee willingness to leave organization.

One of the business banking in Indonesia which has done many alteration, such as, logo, perspective and mission is Bank Pembangunan Daerah (Regional Development Bank) now Bank Nagari. Because of the change, the writer is interested to study whether the alteration of the habit influences organizational commitment.

II. LITERATURE REVIEW

A. Organizational commitment

Meyer & Allen in Tika[9] formulate that commitment in an organization is psychology construct that is characteristic of relationship between members and the organization and it has implication to individual's decision to continue the membership in an organization.

Commitment means "the employees willingness to maintain their membership in an organization and disposed to do the more effort to achieve the organizational purpose [2]. When Lincoln's concept proposed [2] there are three indicators of commitment concept that are very comprehensive.

- Employee's willingness is an employee's intention to their working sector
- The employee's loyalty is an employee's loyalty form to show their identity to develop their organization
- The employee's pride is work totality form or achievement maximally to show that their works result has gained good and optimum quality.

Those items indicate that an employee has a commitment to the organization.

B. Dimension of Organizational commitment

Meyer & Allen in Umam [10] formulate three dimension of organizational commitment, they are :

- Affective commitment, related to emotion of the members to their organization.
- Continuance commitment, related to consciousness of organization's members, therefore the organization will not getting any profit if they leave the organization.
- Normative commitment, describe relations feeling in order

to keep on organization.

C. Organizational culture

Culture has a wide meaning. In this research, we discuss about organization related to bussiness or organization. Therefore organizational culture is an instrument to interpret live and organization’s behavior. [11] stated that organizational culture is the basic philosophy of organization which consist of confidence, norm and the values that become the main characteristic about how to do something in an organization. In addition, Robin [4] express that organizational culture is a tradition and the way to work so that it can differentiate the organization with the others.

In conclusion, the meaning of organizational culture is the system of organizational value whose has by the organization’s members, and influenced the way they work and behave.

D. The function of organizational culture

According to Darmawan [2] the function of organizational culture is:

- Culture has a role to determine contradiction, it means that culture creates the difference between a organization and others
- Culture shows indentity of the organization’s member
- Culture shows larger commitment than individual preference
- Culture increase the stability of social system
- Culture is mechanism of meaning maker, reins and arrange employee’s behavior as attitude

It can conclude that organizational culture is identity of the business or organization, in addition the culture can occur commitment and arrange employee’s behavior and attitude

There are 7 dimensions influence organizational culture, communication training and development, reward, decison making, risk taking, team work, and management pratice [7].

- Communication

Communication is a process to send and to change information from sender to receiver, either written, oral or used communication media. Communication has important role to make organization effectively and efficiently

- Training and development

The important indication to measure management commitment is opportunity to developing individual. The skill that is got by the employees by mean of training whether it can be applied in working or education by employees for now or for the next necessity

- Reward

The business company uses reward as remuneration system or the result of members employee’s job. The treatment which given reward. Punishment and neglect will determine how an organizational culture evolve.

According to Herberg, management needs to give reward to the employee who worked hard for pleasing the customers such as rising salary or promotion based an extraordinary

customer service [7].

There is a group of intrinsic condition include; job achievement, recognition, responsibility, progress, the work and growth. If this condition is filled, so the employee will be satisfied

- Decision Making

Decision making is an identify to process the problem and chance, also election of problem solving alternative. Involving other side for decision making has a role in learning of individual and organization.

This dimension focus of how to make a wisdom and solve the conflict. The wisdom and decison whether decison making is centralization or decentralization.

- Risk Taking

Risk taking is one of treatment to motivate employee in taking decision which is innovative, creative and taking risk bravely. Innovation is not only including improvement, searching and taking risk, idea and change, but also focuses on how creativity and innovation are valued and considered, if there openness improvement, Does an employee get punishment because try the new ideas or ask how to do the idea.

- Team Work

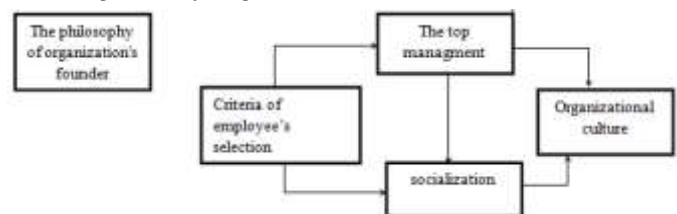
This dimension related to amount, type and the effectiveness of team in an organization. Team work is an dimension in a bussiness company or an organization related to amount, type and the effectiveness of team. A culture that has kept on defending and success to take care about unsatisfied feeling of group, they can be catalys in cultural changing [11]. The work hard team is the team who has the same characteristic and has high credibility in both side inter-members and the team leader has big influence to team credibility.

- Management Praticce

Management pratice is an endorsement and management style which is formed based on ethic and value high standard. Managment should show attitude and positive loyalty to the workers and organization.

Based on the opinions above there are four main dimensions from organizational culture that is suitable apply in Bank Nagari Branch Padang, that is based on Recardo, Ronald & Jolly ; team work, communication, training & development , and reward to realize the pupose of business [7].

E. Arrangement of Organizational culture



Picture 1. Arrangement of organizational culture
Source : Robbins [4]

Picture 1 describe how culture in an organization arranged. The first source of organizational culture is usually from organization founder. They don't have to be tied up by previous habit and approachment, therefore they can create a new culture by communicate their ideas to the next generation. Generally a new organization is still the small, so it is easier for them to express the idea to the organization's member.

F. Conceptual Framework



Hypothesis

Ha : There is a positif effect of organizational culture to organizational commitment

Ho : There is no positif effect of organizational culture to organizational commitment

III. RESEARCH METHOD

Population of this research is permanent employee in Bank Nagari Branch Padang which consist of 306 employees. This research uses random sampling, it means that every member in population has the same chance to be the sample. Taking the sample uses isaac's and michael's table [8]. By using 5% error, the sample became 167 employees.

Independent variable that is used in this research is organizational culture (X). The organizational culture used are teamwork, communication, training & development and reward. While the dependent variable is organizational commitment (Y), measuring three indicators: affective, continuance and normative.

This research used Simple Regression analysis. It is a technique that is used to build a similarity to connect the dependent variable (Y) with independent variable (X) and also to determine prediction and assumption.

IV. RESULT AND DISCUSSION

TABLE I
COEFFICIENTS^A

Model	Unstandardized coefficient		Standardize d coefficient	T	Sig
	B	Std. error	Beta		
(constant)	13,799	2,123		6,501	,000
Organizational culture	221	,062	,266	3,549	,001

a. Dependent Variable : Organizational commitment

Based on the result of the research states that significance 0,001, positive symbol for t. It means that the organizational culture has positive influence and significant effect to organizational commitment. The result of this research supports Muriman's Opinion [3], who stated that the culture of organization had big influence to work's satisfaction. If the members of organization feel satisfied, so the felling will apply in a commitment for organization. Having commitment of organization is very important for the organization's

members because it will motivate and give satisfaction to their work. Hence, the members whose has high commitment will not leave the organization.

TABLE II
MODEL SUMMARY

Model	R	R square	Adjusted R square	Std. Error of the estimate
1	,266	,071	,065	4,813

a. Predictors (constant), the culture of organization

From the determination coefficient Result above (R2), it is gotten 7.1 percent. It means 7.1 percents of dependent variable of commitment of organization can be explained by free variable of the culture of organization. The residue 92.9 percent variable of commitment of organization are explained by variables except the variable which is researched. So, it can conclude that there is a few effect of culture of organization in Bank Nagari Branch Padang, but it still has relation both of them.

Robin [5] says that there are 3 ways of process creating the culture. First, the organizer only employs and defend the employees who think and feel some way. Second, they teach and socialize their thinking and feeling. And finally the organizer's behavior is as role model to support the employees to identify them selves and focus to their belief, value & their assumptions. If the organization get success, the organizers perspective become one. On this point, the organizer's personality is stuck to the culture of organization

V. CONCLUSION & SUGGESTION

A. Conclusion

Research finding shows the variable of organizational culture (teamwork, communication, training & development and reward) has significant influences to organization's commitment in the case of the employee of Bank Nagari Branch Padang. It means the management of Bank Nagari Branch Padang need to create good culture of organization to increase high organization's commitment. From the employees either teamwork, communication, training & development or reward. Beside, paying attention to other factors that influence the organization's commitment is also important today.

These can be done by maintain the high professionalism and good work regularity from the employee and improve the employee pride to Bank Nagari Branch Padang.

B. Suggestion

There are several suggestion for this research, they are :

- The organizational culture in Bank Nagari Branch Padang must be followed by the whole employee of Bank Nagari Branch Padang, because the organizational culture is norm, moral value and credibility that can be guide to the duty and responsibility, and also doing interaction with

colleagues and the employees of Bank Nagari Branch Padang.

- The company/business is expected in order to improve the real condition. Especially in organization aspect, the important one is improving organizational culture, such as, training. Giving training to the employees has a good effect to develop and improve credibility feeling to the company/business. In addition, giving reward to employees achievement will give work satisfaction to the employees, the employees will feel appreciated for their effort in participating to develop and raise the company/business.
- For the next research, with the same topic, it is better to add others variable that give influence to the organiational commitment, such as ; motivation, work achievement, leadership and others. In order to the result can explain dependent variable more exactly. So it can be known which variable is more influence the organizational commitment.

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