

Analysis Of Leadership Style And Work Culture On Employee Loyalty At PT. Orisa Utama Sejahtera

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Article Info	ABSTRACT
<p>Keywords: Leadership Style, Work Culture, Employee Loyalty</p>	<p>This study aims to analyze the influence of leadership style and work culture on employee loyalty at PT. Orisa Utama Sejahtera. Employee loyalty is a crucial factor in achieving the company's goals, where effective leadership and a positive work culture can enhance employee engagement and commitment. This study adopts a quantitative approach, with data collected through questionnaires distributed to the entire employee population of the company. The analysis results indicate that leadership style and work culture have a significant impact on employee loyalty, both individually and simultaneously. These findings suggest that the company needs to strengthen a participative and communicative leadership style and foster a supportive work environment that values employee contributions. Consequently, it is expected that employee loyalty will improve, ultimately having a positive impact on the company's performance and sustainability. Furthermore, this study recommends exploring additional variables for future research to gain deeper insights into the factors influencing employee loyalty.</p>
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INTRODUCTION

Currently, an increasing number of companies are emerging in Indonesia. A newly established company requires various components to achieve its objectives and maximize profits. One of these components is human resources, which are essential for managing and acting as the main drivers of the business. Employees, as part of human resources, have an obligation to advance the company. Employee loyalty enables a company to continue growing and progressing. According to Hasibuan, loyalty is one of the key elements in employee assessment, which can be evaluated through several aspects such as loyalty to work, position, and organization (Hasibuan, 2017). Employee loyalty facilitates the achievement of company goals and future development.

Employee loyalty can be observed in both physical and non-physical aspects. Physical aspects include responsibility and dedication to work, while non-physical aspects are reflected in ideas and thoughts. Therefore, employees with high loyalty play a crucial role in the company. Many factors influence employee loyalty, including leadership style and work culture. Companies need employees who are dedicated and loyal to the organization. Thus, a

harmonious relationship between leaders and employees is essential to achieve company goals. Without such harmony, progress will be difficult to attain.

To achieve these objectives, a synchronized approach between leadership and employees is necessary to foster greater loyalty and quality. A study by Novia (2021) titled "The Influence of Leadership Style and Compensation on Employee Loyalty at PT. Ecotravel Sumatera Bukit Lawang" found that leadership style had no significant effect on loyalty, whereas compensation had a positive effect. In contrast, research by Rama et al. (2019) on "The Influence of Leadership Style, Work Environment, Work Motivation, and Compensation on Employee Loyalty at PT. Tanamas Duta Niaga" revealed that leadership style, work environment, motivation, and compensation significantly influenced employee loyalty. Additionally, a study by Willy Rizky Utami & Dwiatmadja (2020) titled "The Influence of Career Development, Work Motivation, and Compensation on Employee Loyalty (Case Study at PT. Tribun Berita Online)" concluded that only career development had a positive impact on loyalty, while motivation and compensation did not.

In this era of globalization, companies face challenges in maintaining and enhancing competitiveness, one of which is through improving employee loyalty. Employee loyalty is a crucial factor in achieving corporate objectives, as loyal employees tend to be more productive, motivated, and committed to organizational success. However, employee loyalty levels in various companies, including PT. Orisa Utama Sejahtera, often fluctuate due to multiple influencing factors. One such factor is the leadership style applied by company managers or leaders. A good leadership style can create a positive work climate, enhance motivation, and strengthen the relationship between employees and the organization.

Furthermore, the existing work culture within the company plays a significant role in fostering employee loyalty. A work culture that encourages collaboration, open communication, and recognition of employee contributions can inspire greater loyalty. On the other hand, an unsupportive work culture may lead to dissatisfaction, stress, and high turnover rates.

As a company operating in the food sector, PT. Orisa Utama Sejahtera needs to consider these factors to create a conducive work environment and enhance employee loyalty. Therefore, this study aims to analyze how leadership style and work culture influence employee loyalty in the company and provide recommendations to help improve these aspects to establish a stronger relationship between the company and its employees.

One of the most effective ways to enhance loyalty is through mutual commitment between employees and the company, where the company provides adequate feedback or facilities. Therefore, improvements in motivation, leadership style, compensation, and employee loyalty are necessary. The most critical aspect in a company is human resources, which include both leaders and employees. A wise leader who can effectively manage the company will enable the organization to achieve its goals more quickly. Conversely, responsible employees with loyalty to the company can support and assist leaders in optimizing corporate aspirations (Marnis & Priyono, 2008).

Several factors influencing employee loyalty include leadership style and work culture. Leadership style refers to the actions of a leader in managing a company and coordinating all

subordinates to achieve corporate goals. Motivation is a driving force that encourages individuals to take action. Compensation, on the other hand, is an additional benefit provided to employees for their hard work and satisfactory performance, such as vacation tickets, promotions, insurance, and other rewards (Candrawati & Giantari, 2018).

METHODS

The data sources used in this study are divided into primary and secondary data. Primary data were obtained directly from the research subjects, namely the employees of PT. Orisa Utama Sejahtera. According to Sugiyono (2018:456), primary data refers to data sources that directly provide information to the data collector. In this study, the data were collected firsthand by the researcher from the primary source or the location where the research object was conducted. Secondary data, on the other hand, were acquired from literature, previous research journals, and other sources relevant to the research problem. A literature review was conducted to obtain theoretical insights into the issues being investigated. Sugiyono (2018:456) defines secondary data as data sources that do not directly provide data to the collector but are obtained through intermediaries such as documents or reports.

The population in this study refers to the entire set of objects possessing specific qualities and characteristics determined by the researcher for study and conclusion. The population selected for this research consists of 88 employees of PT. Orisa Utama Sejahtera. Sugiyono (2018:130) describes a population as a generalization region comprising objects or subjects with specific characteristics determined by the researcher to be studied and concluded. The research population is categorized into general and target populations. According to Sekaran, the population encompasses the entire group of people, events, or objects of interest to the researcher. Ridwan, in Buchari Alma (2015), states that a population includes all characteristics or measurement units serving as the research object. Based on these definitions, the population in this study consists of all employees of PT. Orisa Utama Sejahtera.

The sample, which represents a subset of the population, is expected to reflect the population's characteristics. Sugiyono (2016:118) defines a sample as part of the total population possessing specific characteristics. Due to practical constraints, it is not feasible to study the entire population; hence, a sample is selected. This study employed a census sampling technique, where the entire population of 88 employees was included. Sugiyono (2017) in his book on quantitative, qualitative, and R&D research methods states that a census sampling technique can be used in research with small populations, where all population members are included as samples. Arikunto (2006) also supports this approach, stating that census sampling is employed when the population size is limited.

This research adopts a quantitative approach by formulating research problems based on the discussed issues, collecting field data through research questions posed to respondents, analyzing data, and drawing conclusions to provide recommendations for decision-making. Data collection techniques involve field observations to identify phenomena through pre-surveys that help in narrowing down the problem. Subsequently, relevant data

are gathered from literature sources via the internet and libraries, followed by feedback collection through structured questionnaires distributed via Google Forms for analysis.

The research design employed in this study is both descriptive and causal. According to Malhotra, causal research design investigates cause-and-effect relationships between variables, whereas descriptive research aims to provide an overview of the independent and dependent variables. The study focuses on variables such as environmental awareness, brand equity, and digital marketing in relation to green product purchase decisions. A literature review was conducted to deepen the understanding of the research topic, specifically on environmental awareness, brand equity, and digital marketing in relation to green product purchase decisions. The literature review also serves to compare previous research findings and further develop the current study by using related literature as references.

The research material comprises questions related to the research problem, structured in the form of questionnaires distributed to respondents. The collected data were analyzed using several testing methods, including validity tests to assess whether the questionnaire accurately measures the intended variables, reliability tests to ensure consistency of results across repeated measurements, multicollinearity tests to examine correlations between independent variables, and hypothesis tests to evaluate the strength of the evidence and determine relationships between variables through regression analysis.

RESULTS AND DISCUSSION

Respondent Characteristics

The characteristics of respondents were analyzed to provide a comprehensive understanding of the respondents who participated in the study, offering additional information to interpret the research findings effectively. Based on gender, the results indicated that out of 88 respondents, 73 percent were female, while 27 percent were male. This data suggests that the majority of respondents in the study were female, accounting for 73 percent of the total sample.

In terms of age distribution, the findings revealed that 29.2 percent of respondents were under the age of 20 years, while the majority, accounting for 66.3 percent, fell within the age range of 20 to 30 years. Additionally, 3.4 percent of respondents were within the age range of 30 to 40 years, and only 1.1 percent were aged above 40 years. These results indicate that the predominant age group of respondents was between 20 and 30 years, making up 66.3 percent of the sample.

Regarding educational background, the study found that 1.1 percent of respondents had completed primary school (SD), 2.2 percent had completed junior high school (SMP), and a significant majority of 92.1 percent had completed senior high school (SMA). Furthermore, 4.5 percent of respondents had attained an undergraduate degree (S1). These findings suggest that the majority of respondents had completed their education at the senior high school level, representing 92.1 percent of the total sample.

Validity and Reliability Testing

Validity testing is conducted by comparing the calculated r -value (r -hitung) with the critical r -value (r -tabel). The r -tabel value is determined at a significance level of $\alpha = 5\%$ (0.05)

with a sample size (n) of 88. Given the degrees of freedom (df) calculated as $n-2$, resulting in $df=88-2=86$, the corresponding r-table value is found to be 0.209.

Table 1. Validity Testing

Variable	Number of Statements	R Calculated	R Table	Description
Leadership Style (X1)	X1.1	0,718	0,209	Valid
	X1.2	0,816	0,209	Valid
	X1.3	0,779	0,209	Valid
	X1.4	0,780	0,209	Valid
	X1.5	0,787	0,209	Valid
	X1.6	0,823	0,209	Valid
	X1.7	0,734	0,209	Valid
	X1.8	0,797	0,209	Valid
Work Culture (X2)	X2.1	0,784	0,209	Valid
	X2.2	0,786	0,209	Valid
	X2.3	0,886	0,209	Valid
	X2.4	0,783	0,209	Valid
	X2.5	0,774	0,209	Valid
	X2.6	0,855	0,209	Valid
	X2.7	0,704	0,209	Valid
	X2.8	0,671	0,209	Valid
Employee Loyalty (Y)	Y1	0,591	0,209	Valid
	Y2	0,830	0,209	Valid
	Y3	0,773	0,209	Valid
	Y4	0,758	0,209	Valid
	Y5	0,768	0,209	Valid
	Y6	0,816	0,209	Valid
	Y7	0,711	0,209	Valid
	Y8	0,763	0,209	Valid

From the table, it can be concluded that the calculated r-value (r-hitung) is greater than the critical r-value (r-table), indicating that the statements are proven to be valid. Therefore, it can be stated that all statements are capable of measuring the variables of Leadership Style and Work Culture in relation to Employee Loyalty at PT. Orisa Utama Sejahtera.

Table 2. Reliability Testing

Variable	Cronbach's Alpha	Description
Leadership Style	0,905	Reliable
Work Culture	0,905	Reliable
Employee Loyalty	0,888	Reliable

The table shows that the calculated r-value (Cronbach's Alpha) for all variables is greater than the critical r-value (0.60), it can be concluded that all respondents' answers are consistent in responding to each statement item measuring the variables of Leadership Style and Work Culture in relation to Employee Loyalty at PT. Orisa Utama Sejahtera.

Classical Assumption Test

Data Normality

According to Imam Ghozali, the residuals are normally distributed if the significance value is greater than 0.05.

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Predicted Value
N		88
Normal Parameters ^{a,b}	Mean	35.6022727
	Std. Deviation	2.62061280
Most Extreme Differences	Absolute	.119
	Positive	.104
	Negative	-.119
Test Statistic		.119
Asymp. Sig. (2-tailed)		.075 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Based on the results above, it is evident that the Asymp. Sig. (2-tailed) value is 0.075. Since this value is greater than 0.050 ($0.075 > 0.050$), it can be concluded that the data are normally distributed.

Multicollinearity Test

Table 4. Multicollinearity Test

Model		Unstandardized Coefficients		Coefficients ^a		t	Sig.	Collinearity Statistics	
		B	Std. Error	Standardized Coefficients	Beta			Tolerance	VIF
1	(Constant)	16.925	2.125			7.963	.000		
	Leadership Style	-.226	.099	-.297		-	.026	.319	3.137
	Work Culture	.776	.106	.958		7.319	.000	.319	3.137

a. Dependent Variable: Employee Loyalty

The table results show that the Leadership Style variable has a tolerance value of 0.319 and a VIF value of 3.137, while the Work Culture variable also has a tolerance value of 0.319 and a VIF value of 3.137. It can be concluded that since the tolerance value is greater than 0.10 and the VIF value is less than 10.00, each research variable is considered free from multicollinearity issues.

Heteroscedasticity Test

The heteroscedasticity test can be observed through the scatterplot graph, where the distribution of the points appears random, and their spread is both above and below zero on the Y-axis. This pattern indicates that heteroscedasticity is not present in the data.

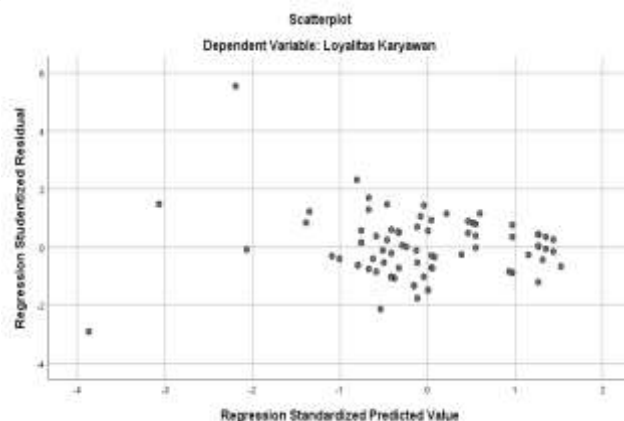


Figure 2. Heteroscedasticity Test

From Figure 2, it can be concluded that the points are scattered below zero on the Y-axis and do not form a specific pattern. This confirms that heteroscedasticity does not occur in the data.

Autocorrelation Test

Table 5. Autocorrelation Test

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.732 ^a	.536	.525	2.468	1.816	

a. Predictors: (Constant), Work Culture, Leadership Style
b. Dependent Variable: Employee Loyalty

Based on the analysis results, the Durbin-Watson value was obtained by considering the number of independent variables, which is 2, and the total sample size of 88, with a significance level of 5 percent or 0.05. According to the Durbin-Watson distribution table, the lower bound value (dL) of 1.607 is smaller than the calculated Durbin-Watson value of 1.816. Meanwhile, the obtained Durbin-Watson value is also smaller than the difference between 4 and the upper bound value (dU), which is 1.699. Therefore, it can be concluded that there is an indication of autocorrelation in the analyzed data.

Hypothesis Testing

Table 6. Multiple Linear Regression Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.925	2.125		7.963	.000
	Leadership Style	-.226	.099	-.297	-2.271	.026

Model	Coefficients ^a				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
Work Culture	.776	.106	.958		7.319	.000

a. Dependent Variable: Employee Loyalty

The results of the t-test analysis are as follows:

1. The Leadership Style variable obtained a t-value of -2.271, which is greater than the critical t-value of -1.662, indicating that $t_{\text{calculated}} > t_{\text{table}}$. The significance value obtained is 0.026, which is less than 0.050. Therefore, it can be concluded that the Leadership Style variable has a significant effect on Employee Loyalty at PT. Orisa Utama Sejahtera.
2. The Work Culture variable obtained a t-value of 7.319, which is greater than the critical t-value of 1.662, indicating that $t_{\text{calculated}} > t_{\text{table}}$. The significance value obtained is 0.000, which is less than 0.050. Therefore, it can be concluded that the Work Culture variable has a significant effect on Employee Loyalty at PT. Orisa Utama Sejahtera.

Table 7. F Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	597.482	2	298.741	49.059	.000 ^b
	Residual	517.597	85	6.089		
	Total	1115.080	87			

a. Dependent Variable: Employee Loyalty
b. Predictors: (Constant), Work Culture, Leadership Style

In the F-test analysis, the calculated F-value (F-hitung) is 49.059, which is greater than the critical F-value (F-tabel) of 3.10, indicating that $F_{\text{calculated}} > F_{\text{table}}$. The obtained probability value is 0.00, which is less than the significance level of 0.05. Therefore, it can be concluded that the regression model can be used to predict the variables' influence on Employee Loyalty at PT. Orisa Utama Sejahtera. This implies that the variables Leadership Style and Work Culture, when considered simultaneously, have a significant effect on Employee Loyalty at PT. Orisa Utama Sejahtera.

Table 8. Coefficient of Determination

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.732 ^a	.536	.525	2.468	

a. Predictors: (Constant), Work Culture, Leadership Style
b. Dependent Variable: Employee Loyalty

The coefficient of determination (R square) is 0.536, indicating that 53.6% of the variation in Employee Loyalty at PT. Orisa Utama Sejahtera can be explained by the Leadership Style and Work Culture variables. Meanwhile, the remaining 46.4% is influenced by other variables not included in this study.

CONCLUSION

The study demonstrates that leadership style has a significant influence on employee loyalty at PT. Orisa Utama Sejahtera. The analysis results indicate that the leadership approach implemented within the company plays a crucial role in fostering employee engagement. Furthermore, work culture has also been proven to have a significant impact on loyalty, where a positive and supportive work environment contributes to strengthening the relationship between employees and the company. Moreover, leadership style and work culture collectively show a significant influence on employee loyalty, making these two factors essential in creating a conducive work environment. To enhance employee loyalty, it is recommended that the company's management adopt a more participative and communicative leadership style to increase motivation and employee involvement in various aspects of their work. Additionally, it is essential for the company to continue developing a positive, inclusive work culture that values employee achievements to create a comfortable and productive environment. Future research could expand the scope by exploring other factors that may influence loyalty, such as employee welfare and reward systems. Employees are also expected to actively contribute to supporting a positive work culture and adapting to more inclusive and inspiring leadership styles. With the implementation of appropriate strategies, it is expected that the company can strengthen employee loyalty, ultimately leading to a positive impact on performance and business growth.

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