Impact of Organizational Culture and Religiosity on Organizational Commitment in Sharia-Banking Employees

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Abstract— Organizational commitment is an individual relative power to identify and involves themselves to an organization. Organizational commitment is important because it involves employees' active role in organization process. One of the commitment's predictor is organizational culture. Organizational culture contains some values which are held by the employees and underlie on how to manage the organization. Another predictor of organizational commitment is religiosity. Religiosity is an ability to act the religion practices properly with faith and piety. This study aims to find out the effects of organizational culture and religiosity to organizational commitment using three measuring instruments; organizational commitment scale, organizational culture, and religiosity scale. The data was analyzed by multiple regression method and showed that organizational culture and religiosity significantly influenced employees' commitment. It means there is contribution of organizational culture and religiosity to organizational commitment among sharia banking employees.

Keywords— **Bank, Organizational Commitment, Organizational Culture, Religiosity**

I. INTRODUCTION

The last few years was a period of rapid growth of sharia banks in Indonesia, they have to compete with fellow sharia banks or conventional banks. Therefore, to be able to compete and widen its business range, they need to have appropriate management strategies to achieve their goals. One of the right strategies is by increasing the quality of human resources. Human resources are very important because the employee's quality and performance directly affect organization effectiveness. Human resources are one of the major elements of an organization that can't be ignored. Human resources not only help the organization to achieving its goals but also can help the organization to face the existing competition. Organizations that have good human resources will make the organization have the power to face the competition (Cushway, 2002).

One aspect needs extra attention in the field of human resources is the commitment of employees to the organization (Steers, 1985). This is because employees with high organizational commitment are believed to encourage their own and group performance, which in turn will increase the effectiveness of the company as a whole. Organizational commitment is a situation where an employee sides with organization goals and intends to maintain membership within the organization (Robbins, 2003). Employee commitment to the organization is one of the key to determine the success or failure of organization in achieving its goals. Employees who are committed to the organization usually show an attentive work attitude towards the task, very responsible for performing the tasks and very loyal to the company.

Commitment affects employee performance and also influences organizational performance (Aktami, 2008). The impact of commitment is reflected in increased work performance (Erenstein & McCaffrey, 2007). In addition, according to Arthur (1994) employees who have a high commitment will increase the effectiveness of the organization through high involvement in the organization and willing to work hard to achieve organizational goals. Characteristics of individual with high organizational commitment are indicated by high loyalty and dedication to the organization (Robbin (1997).

Employees will do everything possible for the organization to succeed. Luthans (2006) explained that organizational commitment brings positive results such as high performance, low turnover rate and low absenteeism. There are several factors that influence organizational commitment. Several previous studies explain factors that may affect organizational commitment, such as; age, tenure of work in the organization, educational level, leadership style, and work design, (Luthans, 1992). Work design includes organizational culture. Organizational culture is considered to increase employee's commitment to organization (Sabir, Razzaq & Yameen, 2010). That is because commitment is a trust that arises from the hearts of employees who are often associated with strong and deep internalization of organizational culture (Storey, 1995).

A strong organizational culture can help organization to run the activities in achieving its goals (Robbins & Timothy, 2006). Organizational culture contains values that must be understood, imbued, and practiced together by all the individuals/groups involved. A well-functioning organizational culture is capable of addressing external and internal adaptation issues. Therefore, to overcome the problem of external and internal adaptation, the values, and norms developed in the organization can be used as behavior guidelines for members of the organization (Mangkunegara, 2005).

In addition, religiosity is considered as one thing than can also increase commitment to the organization. Research shows that religiosity affects employee work attitude, such as loyalty, cooperation, compliance, and commitment (Kutcher et al, 2010). Religiosity based on Glock & Stark's theory (1966) is how far the knowledge, how strong the belief, how diligent the worship implementation, and how deep the person appreciate the religion. Research shows that religion is one of the significant predictors to employees' commitment in organizations with religious background (Brown & Sargeant, 2007). Other studies have shown that there is a positive relationship between religiosity, affective and normative commitment (Farrukh, Yin, & Ahmed, 2016). Vecchio (1980) stated that religious beliefs and values predict organizational commitment. Similarly, Meyer and Allen (1991) state that religiosity affects employee perceptions of organizational goals and their desires to maintain membership within the organization. Other studies also found that religiosity affects employee work attitude (Kutcher, Bragger, Rodriguez Srednicki, & Masco, 2010). In addition, religiosity encourages employee commitment to productivity and lowers absenteeism and turn over (Fry, 2003).

Based on the results of the above research and the opinions of experts, expressing attitudes toward organizations, organizational culture, and religiosity is seen as having an effect on employee commitment, or in other words organizational culture, and religiosity can be factors that will affect employee commitment.

II.   OBJECTIVES AND METHODS

The chief objective of this study is to find out the impact of organizational culture and religiosity on organizational commitment among sharia-banking employees.

The study participants were 102 employees from three different branches who have worked over two years in sharia banking in Medan, Indonesia. This is done with the belief that the minimum working period, employees would have been able to identify the organizational culture prevailing in the company. The number of male participants (75 people) is more than the number of female participants (27 people). Most participants were in the age range 25-44 years (96%).

This study used 3 measuring tools; organizational commitment scale, organizational culture scale, and religiosity scale. Organizational commitment scale was based on Mowday theory (1982) consisting of 11 items with reliability (α) = 0.848; organizational culture scale is based on Miller's theory (1987) consisting of 23 items with reliability (α) = 0.86; and religiosity scale is based on Glock & Stark's theory (1966) consisting of 14 items with reliability (α) = 0.805. The three measuring instruments used Likert scale consisting of five choices of answers, namely Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree with score level per item 1 for Strongly Agree to 5 for Strongly Disagree. Items were divided into two types; *favorable* and *unfavorable*. Validity of measuring instruments obtained through professional judgment analysis and factor analysis using SPSS 17.0.

III. RESULTS AND DISCUSSIONS

Hypothesis of the study is H_1 = There is a positive impact of organizational culture on employees' commitment; H_2 = There is a positive impact of religiosity on employees commitment; H_3 = There is positive influence of organizational culture and religiosity to employees commitment. The five assumption tests for multiple regression analysis are fulfilled, so that the research data can use parametric statistical principles.

Data analysis obtained on organizational culture and employee commitment showed p = 0.00; R = 0.722 It means organizational culture gives a 52.1%. (Significant) impact on employee commitment. Data analysis obtained on the religiosity and employee commitment showed p = 0.00; R = 0.414. This means that religiosity has a 17.2% effect on employee commitment. The influence of organizational culture and religiosity simultaneously gives p = 0.00; R = 0.739 to employee commitment. This means that organizational culture and religiosity have an effect on employee commitment for about 54.6%, while the remaining 45.5% is influenced by other factors.

The conclusion data analysis above was the stronger organizational culture perceived by employees the higher commitment to the organization will be. Some reasons that may explain this; *First*, organizational culture contains values that must be understood, imbued, and practiced together by all the individuals/groups within the organization. Employee commitment will be getting higher if they feel that the organization's values/cultures are compatible with them (Tyler, 1999). *Second*, employees will show commitment when they can respect each other and find value on the relationship (Mathieu & Zajac, 1990). Internalized organizational culture shows that employees hold the same beliefs and ethical values, so employees will help each other, avoid conflict and focus on task completion (Davoren, 2009). *Third*, a well-functioning organizational culture is considered capable of overcoming problems. The employee who internalizes the company's values and norms as the basis for evaluating the right and wrong, is committed to a higher organization commitment. So they will maintain membership in the organization (Sabir, Razzaq, & Yameen, 2010)

The results of further research showed that religiosity has a positive and significant effect on employees' commitment to the organization. This means that the higher religiosity, the higher the employee's commitment will be. Some of the reasons that may explain this; *First*, religiosity affects employee work attitude, such as loyalty, cooperation, obedience, and commitment (Kutcher et al, 2010). *Second*, according to Meyer and Allen (1991) employees who have higher religiosity, are eager to maintain their membership in the organization or are always committed to the organization. *Third*, religion emphasizes its adherents to know and carry out their obligations, to be loyal, and to be responsible in the community and workplace, so that it can bring employees commitment to the organization (Farrukh et al, 2016).

The results of this study also showed that organizational culture and religiosity together affect the employees' commitment to the organization. This means that the more they internalize organizational culture and religiosity then employee's commitment to the organization will be higher. It may be due to the organizational culture and religiosity affect the work ethic and work ethic affects loyalty (Watimena, 2012). Work ethic and loyalty are the hallmarks of employees who have had a commitment to an organization that belongs to a dimension of engagement and loyalty (Mowday et al., 1982).

IV. CONCLUSIONS

Based on the analysis, it can be concluded that organizational culture and religiosity affect employees' organizational commitment. That means, the more employees internalize the organizational culture and the higher religiosity they have, the higher organizational commitment will be. It is just, organizational culture has bigger impact than religiosity on employees' commitment to organization. The implication of this research is for the bank to sustain efforts that have been done so far about the organizational culture and religion activies so that organizational commitment will remains high.

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