

The influence of organizational culture, work commitment, and employee loyalty on employee performance on PT Millennium Pharmacon

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Abstract

This research aims to determine and analyze the positive and significant influence of organizational culture, organizational commitment and loyalty on employee performance at PT Millennium Pharmacon both partially and simultaneously. This research uses quantitative methods with the data analysis technique used, namely multiple linear regression. The sample in this study was 90 respondents. The results of the research show that: (1) The organizational culture variable has a calculated t value (7.753) > t table (1.66277) and a significance value of 0.000 < 0.05, which means that the organizational culture variable (X_1) partially has a positive influence and significant impact on employee performance (Y) at PT Millennium Pharmacon. (2) The organizational commitment variable has a calculated t value (3.424) > t table (1.662) and a significance value of 0.001 < 0.05, which means that the organizational commitment variable (X_2) partially has a positive and significant influence on performance (Y) employees at PT Millennium Pharmacon and (3) The loyalty variable has a calculated t value (3.191) > t table (1.662) and a significance value of 0.002 < 0.05 which means that the loyalty variable (X_3) partially has a positive influence and significant impact on employee performance (Y) at PT Millennium Pharmacon. (4) The variables organizational culture, organizational commitment and loyalty have a calculated F value (89.301) > F table (2.71) with a sig level of 0.000 < 0.05, which means that the variables organizational culture (X_1), organizational commitment (X_2), and loyalty (X_3) simultaneously have a positive and significant influence on employee performance (Y) at PT Millenium Pharmacon, (5) while the magnitude of the influence that the independent variable has on the dependent variable is 74.9%. Meanwhile, the remaining 25.1% was influenced by other factors outside this research.

Keywords:

Organizational Culture, Organizational Commitment, Loyalty, and Performance

1. Introduction

In an organization or agency must be able to formulate appropriate policies to cope with any



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changes that will occur. One of the policies that concerns management concerns is the empowerment of human resources. The most important resource of an organization is human resources, people who give their energy, talent, creativity and effort to the organization. Thus, the success or failure of a work process depends more on the human element. How great and sophisticated equipment and technology and supported by large capital, but if the people are not able to handle effectively and efficiently, the company's goals will not be achieved. This indicates that employee performance factors are the key to the progress and success of an organization.

According to Kasmir (2016), performance is the result of work and work behavior that has been successfully achieved by an employee in completing all tasks and responsibilities given to him in a certain period. There are several factors that can affect employee performance, three of which are: organizational culture, work commitment, and employee loyalty. Good employee performance is inseparable from the existence of organizational culture that has become a *personal value* for each employee. Culture shapes different perspectives and ways of interacting in each group in doing work. This creates attachment and uniformity within the company.

According to Robbins and Judge (2015), the definition of organizational culture is a system of shared meanings organized by members that distinguishes the organization from other organizations. Organizational culture in an organization is always associated with values, norms, attitudes and work ethics that are held together with each component of the organization, these elements become the basis for monitoring employee behavior, the way they think, work together, and interact with other employees. If the organizational culture becomes good, it will be able to improve employee performance and will be able to contribute success to the organization in influencing actions, behavior and especially employee productivity. In addition to organizational culture, there is one factor that affects employee performance, namely work commitment. According to Sopiah (2018), work commitment is where the organization's desire to maintain its membership in the organization and is willing to strive for the achievement of organizational goals. Employees with high commitment can be expected to be able to show optimal performance. Someone who joins an organization in a company is required to have a commitment in him. To achieve effectiveness in carrying out tasks, employees need to have a high commitment to the task and organization. High commitment to the organization will increase the responsibility and sincerity of employees in carrying out their duties. Employees who have a high commitment to the organization will work wholeheartedly and will strive for the progress of the organization, because they realize they have become part of the organization. So it can be concluded that the higher the employee's work commitment, the better the employee's performance towards the company.

Employee work loyalty is also one of the most important factors for the company because with the work loyalty in employees, it is expected that later it will further improve employee performance. This is also reinforced by the theory presented by Sutrisno (2015) which says that loyalty is an employee's effort in defending the company, by showing that the employee plays an active role in his company. Thus, it can be said that employees who are loyal to the company are employees who have a willingness to work together which means a willingness to sacrifice themselves, a willingness to exercise self-control and the ability to highlight their own interests. This willingness to sacrifice oneself involves the awareness to devote oneself to the company, this devotion will always support the participation of employees in the company. No matter how good the physical condition of a company is, if it is not supported by employees who are loyal to the company, the work done is not good. In the era of increasingly fierce business competition, employee performance is required to continue to increase. One step to maintain or increase employee loyalty can be done by evaluating



employee performance and making a series of improvements in order to always improve the quality of these employees so that the company grows and excels in competition, or at least can survive.

With the strength of distribution network in 33 branches and 1 central warehouse and supported by experienced human resources in the pharmaceutical field, MPI is committed to becoming a distribution company that provides the best quality service to all customers and its principles. Performance appraisal at PT Millenium Pharmacon is formally carried out in a time interval determined by the company, which is once every 6 months. The purpose of conducting performance appraisals is to determine the abilities, advantages and disadvantages possessed by the employees concerned in carrying out their duties, and also as a basis for a leader to make decisions on various matters, such as identifying the needs of education and training programs, recruitment, positioning, promotion, wage or compensation levels and various other aspects of the human resource management process effectively.

This phenomenon occurs at PT Millenium Pharmacon, where employee performance at the company needs to be improved. The resultsof the survey conducted there was a decrease in job targets due to not maximum performance in these employees, and this was considered necessary for further research so that the company could run stably and have a good future.

2. Method

a. Types and Nature of Research

This form of research tries to test ideas and construct facts; reveal relationships between variables; offer statistical descriptions; draw and anticipate findings with the aim of determining the influence of one variable on another.

b. Research Location

This research was conducted at PT Millenium Pharmachon Medan Branch, located on Jl. Banyan No.22, Sunggal, Kec. Medan Sunggal, Medan City, North Sumatra 20122.

c. Population and Sample

The population and sample in this study were all permanent employees at PT Millenium Pharmachon Medan Branch, totaling 90 respondents.

d. Data Collection Methods

1) Observation

Observation is a complex process, a process composed of various biological and psychological processes.

2) Questionnaire

Data collection relies heavily on the use of questionnaires. A questionnaire is a data collection method in which a series of questions or statements are available to survey participants. There are many questions about the subject that will be expressed in the survey, which is based on the scale of the Likert model. The most common use of this scale is to measure respondents' feelings and thoughts about a particular object.

e. Sumber Data

1) Date one

The word "primary data" refers to information gathered directly from the original source. According to the type of information needed, when it comes to human subjects it can be collected either by preparing tools or by directly observing the subjects examined.

2) Data Seconds



Secondary data includes information obtained from various publications, such as books, journals, and other scientific works, all of which are relevant to the topic being discussed.

f. Data Analysis Techniques

1) Descriptive Statistical Analysis

For the most part, descriptive statistics are used to provide insight into the study's research variables. It is a descriptive analysis method where data is collected to provide information and an overall view of the subject matter being discussed. Analyzing data using descriptive statistics allows researchers to get a broad picture of the phenomena they are studying.

2) Double Linear Regression Analysis

To test the linear relationship between three or more independent variables and one (one) dependent variable, multiple regression analysis is the data analysis method of choice. This study used the following regression model :

$$Y = \alpha + X1 + X2 + X3 + \varepsilon$$

3) Hypothesis Testing

The F test (simultaneous regression coefficient test) or individual regression coefficient test (partial) is used to test the influence of the independent factor on the dependent variable (t test).

4) Classical Assumption Test

Regression equations can be tested for accuracy using assumption tests, which attempt to establish that derived regression equations are unbiased and consistent. In the event of heteroscedasticity or multicollinearity, the variance will not be constant, and the significance of coefficientn regression will be lower. Classical assumption tests include normality, multicollinearity, and heteroscedasticity tests. If the variance is not constant, the standard error will be higher. Classical assumption tests should be performed as a result.

3. Findings and Discussion

Table 1. Descriptive Statistical Analysis.

Source:
v.25

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Organizational Culture	90	32.00	68.00	53.0000	9.43458
Organizational Commitment	90	12.00	30.00	21.0333	4.72490
Loyalty	90	13.00	29.00	21.6444	4.43254
Performance	90	31.00	57.00	44.2000	6.87807
Valid N (listwise)	90				

SPSS
Data

Processing Results, 2023

For each valid variable, there are a total of 90 data points, as shown in Table 1. The minimum and maximum values for the performance variable (Y) range from 31 to 57.00; The mean is



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44.2000, and the standard deviation is 6.87807, indicating that the average value is higher than the standard value and that the data deviation is low, indicating an even distribution of values. For the Organizational Culture variable (X1) the minimum and maximum values are 32.00 and 68.00 with a mean value of 53.0000 and a standard deviation of 9.43458 which means the mean value is greater than the standard value, and the distribution of values is evenly distributed. As you can see, for the organizational commitment variable (X2): the mean is 21.0333 points, and its standard deviation, of 4.72490, indicates that the mean value is above the standard deviation, indicating that the spread of the data is uniform. In other words, because the mean (X3) is higher than the standard deviation (4.43254), the standard deviation of the data is low and the distribution of values is uniform, the loyalty variable (X3) has a mean value of 21.6444.

Table 2.Multiple linear regression analysis.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.690	2.370		3.245	.002
	Organizational Culture	.423	.055	.581	7.753	.000
	Organizational Commitment	.374	.109	.257	3.424	.001
	Loyalty	.286	.090	.185	3.191	.002

a. Dependent Variable: Kinerja

a. Dependent Variable: Kinerja (Y)

Source: SPSS Data Processing Results v.25, 2023

Based on Table 2, the results of multiple linear regression tests are contained in the regression coefficient column. Standard multiple linear regression equations can be obtained as follows:

$$Y = 7,690 + 0,423X_1 + 0,374X_2 + 0,286X_3 + e$$

The value 7.690 is known as a constant. shows that if the independent variable is fixed or constant or does not increase, then the performance is 7.680 units, which means that in the absence of the independent variable the performance will remain at 7.690 units. The organizational culture variable shows a value of 0.423. A positive regression coefficient shows a unidirectional relationship between organizational culture variables and performance variables which means that if there is an increase or increase in organizational culture variables assuming that the variables of organizational commitment and loyalty are in a fixed or constant condition, then performance will increase by 0.423 unit. The organizational commitment variable shows a value of 0.374 and has a positive regression coefficient sign, there is a unidirectional relationship between the organizational commitment variable and the performance variable which means that if there is an increase or increase in the organizational commitment variable assuming that the organizational culture and loyalty variables are in a fixed or constant condition, then performance will increase by 0.374 units. Regression analysis shows that the loyalty variable has a positive coefficient value of 0.286. This shows that for every one unit there is an increase of 0.286 in performance.



Table 3. Test Results t.

Coefficients ⁱⁿ						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.690	2.370		3.245	.002
	Organizational Culture	.423	.055	.581	7.753	.000
	Organizational Commitment	.374	.109	.257	3.424	.001
	Loyalty	.286	.090	.185	3.191	.002

a. Dependent Variable: Kinerja

a. Dependent Variable: Kinerja (Y)

Source: SPSS Data Processing Results v.25, 2023

In Table 3 it can be seen that the calculated value of the Organizational Culture variable (X1) (tcalculate 7.753 > 1.662) is positive and significant which means that the variable Organizational Culture (X1) has a positive and significant effect on the performance of the variable (Y) of PT Millenium Pharmacon. Organizational Commitment (X2) is known to have a positive and significant effect on the Performance (Y) variable of PT Millenium Pharmacon by having a calculation of 3.424 > 1.662 and an alpha sig with a sig (0.001) < 0.05, respectively. Employee performance at PT Millenium Pharmacon is positively and significantly influenced by the Loyalty variable (X3), which is indicated by a calculated value of 3.191 > 1.622 in the table and an alpha sig of (0.002) < 0.05.

Table 4. Test Results F.ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3187.252	3	1062.417	89.301	.000 ^b
	Residual	1023.148	86	11.897		
	Total	4210.400	89			

a. Dependent Variable: Kinerja

b. Predictors: (Constant), Loyalty, Organizational Culture, Organizational Commitment

Source: SPSS Data Processing Results, 2023

It can be shown by looking at Table 4 that obtained a calculated F value of 89.301 with a probability value (sig) = 0.000 which means that the value of F calculate (89.301) > F table (2.71) with sig (0.000) < 0.05 then accept H₄ and reject H₀, so it can be concluded that simultaneously organizational culture (X₁), organizational commitment (X₂) and loyalty (X₃) has a positive and significant effect on the performance (Y) of employees at PT Millenium Pharmacon.

Table 5. The result of the coefficient of determination (r²).Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.870 ^a	.757	.749	3.44921

a. Predictors: (Constant), Loyalty, Organizational Culture, Organizational Commitment



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b. Dependent Variable: Performance

Source: SPSS Data Processing Results, 2023

Table 5 shows that R² (R Squared) is equal to 0.749 or 74.9 percent of total. Employee performance (Y) at PT Millenium Pharmacon of 74.9 percent is influenced by Organizational Culture, Organizational Commitment, and Loyalty, while the remaining 25.1 percent is explained or influenced by other variables not discussed in this study, as shown in this graph.

Table 6. Normality Test Results.

		Unstandardized Residual
N		90
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.39058117
Most Extreme Differences	Absolute	.063
	Positive	.063
	Negative	-.048
Test Statistic		.063
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

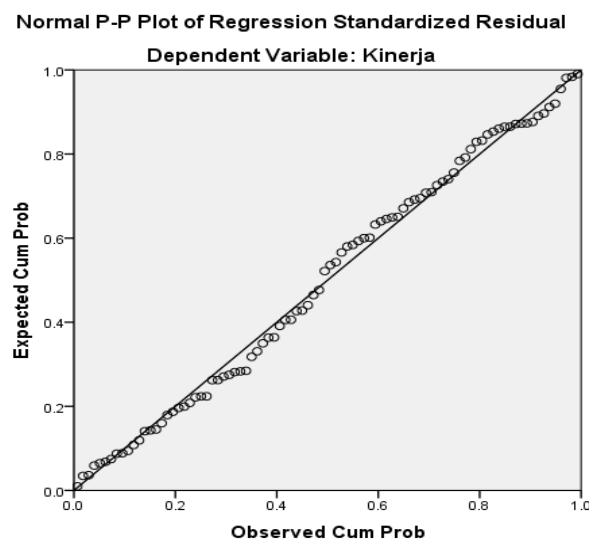
b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: SPSS Data Processing Results v.25, 2023

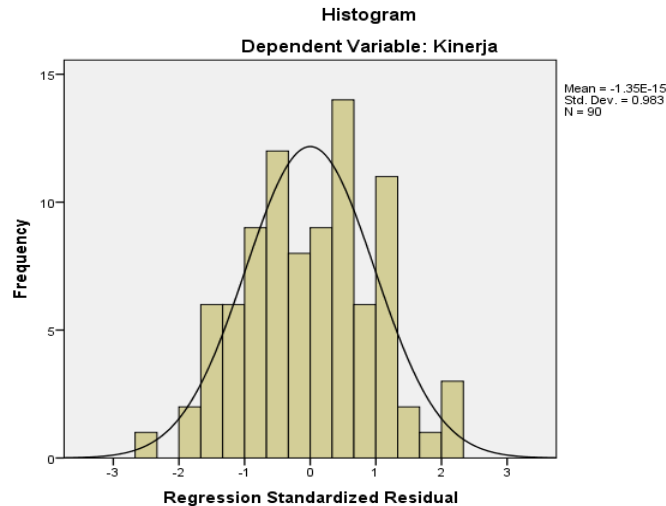
With the Kolmogorov-Smirnov test result of 0.063, it can be said that all data are normally distributed, as shown in Table 6. Using a normal probability plot and histogram, we can determine whether the data is normally cumulative distributed or not by comparing it to the data as a whole. As can be seen from the following, the test result was positive.



Gambar 1. Normal P-Plot.

Source: SPSS Data Processing Results v.25, 2023

Looking at Figure 1 shows the distribution of data that is in a narrow band around a diagonal line, which shows normality and allows the test to proceed to a new stage.

**Figure 2.** Histogram.

Source: SPSS Data Processing Results v.25, 2023

The data in this study were assumed to be normally distributed or close to it in this study due to the bell-shaped histogram shown in Figure 2.

Tabl 7. Multicollinearity Test Results.
Coefficientsⁱⁿ

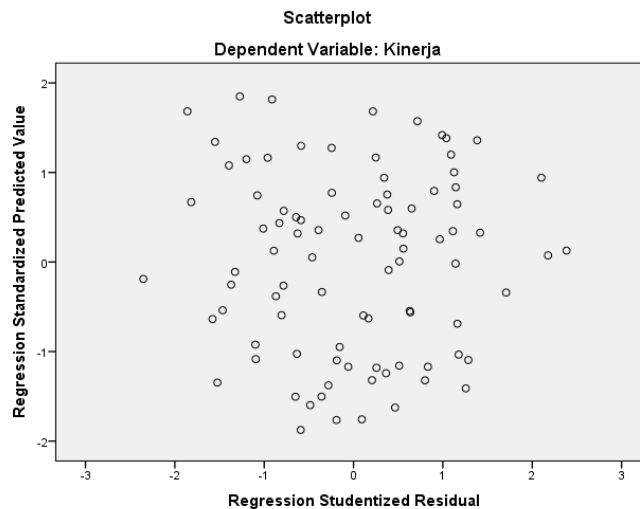
Model		Unstandardized Coefficients		Collinearity Statistics	
		B	Std. Error	Tolerance	BRIGH T
1	(Constant)	7.690	2.370		
	Organizational Culture	.423	.055	.504	1.985
	Organizational Commitment	.374	.109	.501	1.997
	Loyalty	.286	.090	.844	1.184

a. Dependent Variable: Kinerja

Source: SPSS Data Processing Results v.25, 2023

Looking at Table 7 shows that the *tolerance* value of the organizational culture variable (X_1) is 0.504, the organizational commitment variable (X_2) is 0.501 and the loyalty variable (X_3) is 0.844. While the VIF value of the organizational culture variable (X_1) is 1.985, the organizational commitment variable (X_2) is 1.997 and the loyalty variable (X_3) is 1.184, which means that all independent variables are free from multicollinearity problems because the tolerance value ≥ 0.1 and VIF ≤ 10 .



Figure 3. Heteroscedasticity Test Results.**Gambar 3.** Scatter Plot

Source: SPSS Data Processing Results v.25, 2023

From Figure 3 it can be seen that the points are scattered scattered above and below the limit of point 0 and do not clump together or form a certain pattern, which means that heteroscedasticity does not occur.

(1) Organizational Culture Analysis of Employee Performance

Based on the results of data analysis, it can be concluded that the organizational culture variable obtained a calculated t value ($7.753 > t$ table (1.662)) meaning that H_0 was rejected and H_1 was accepted, with a significant value ($0.000 < 0.05$), so it can be concluded that organizational culture partially has a positive and significant influence on employee performance at PT Millenium Pharmacon. According to Robbins and Judge (2015), the definition of organizational culture is a system of shared meanings organized by members that distinguishes the organization from other organizations. Organizational culture is a pattern of beliefs and values that are outlined in the form of norms or guidelines for organizational members in behavior and solving organizational problems. Organizational culture as a general perception shared by all members of the organization, so that every employee who is a member of the organization will have values, beliefs and behaviors in accordance with the organization. A strong organizational culture is needed to increase job satisfaction and employee performance which in turn will also affect the overall performance of the organization. Therefore, every organization needs to form a strong organizational culture. The organization needs to disseminate its core values to all employees. The results of this study are in line with the results of research from Muhammad and Manik (2023), Wiyanto and Idruss (2021), Wahyuni (2020), Mohsen et al (2020), Girsang (2019), Rijanto and Mukaram (2018), and Isa et al (2016) who said that organizational culture affects employee performance.

(2) The Effect of Organizational Commitment on Employee Performance



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Based on the results of the analysis, it was concluded that organizational commitment was obtained by the value of t_{hitung} (3.424) > t_{table} (1.662) meaning that H_0 was rejected and H_2 was accepted, with a significance value (0.001) < 0.05, so it can be concluded that organizational commitment partially has a positive and significant influence on employee performance at PT Millenium Pharmacon. According to Sopiah (2018), work commitment is where the organization's desire to maintain its membership in the organization and is willing to strive for the achievement of organizational goals. This commitment can be realized if individuals in the organization, carry out their rights and obligations in accordance with their respective duties and functions in the organization, because the achievement of organizational goals is the result of the work of all members of the organization that are collective, and only with high commitment, a government agency is able to produce good performance. The results of this study are in line with the results of research from Wahyuni (2020), Girsang (2019), and Ahmar (2019), who said that organizational commitment has a positive influence on employee performance

(3) The Effect of Loyalty on Employee Performance

Based on the results of the analysis, it was concluded that the loyalty variable obtained a calculated t value (3.191) > t_{table} (1.662) meaning that H_0 was rejected and H_3 was accepted, with a significance value (0.002) < 0.05, so it can be concluded that loyalty partially has a positive and significant influence on employee performance at PT Millenium Pharmacon. According to Sutrisno (2015), loyalty is an employee's effort to defend the company, by showing that the employee plays an active role in his company. Every company wants to have high loyalty in carrying out its work. But to increase loyalty is not easy, loyalty is a mental attitude shown to the company. Loyal employees are highly valued by the company because the company really needs loyal employees for the continuity of the company in determining the back and forth of the company in the future. The results of this study are in line with the results of research from Muhammad and Manik (2023), Pratiwi et al (2021), Maulida and Askiah (2020), and Wahyuni (2020), who said that loyalty has a positive influence on employee performance.

(4) The Influence of Organizational Culture, Organizational Commitment and Loyalty on Employee Performance

Based on the results of the analysis, it was concluded that simultaneously the independent variables namely organizational culture, organizational commitment, and loyalty simultaneously have a positive and significant influence on employee performance at PT Millenium Pharmacon. Kasmir (2016), which states that performance is the result of work and work behavior that has been successfully achieved by an employee in completing all duties and responsibilities given to him in a certain period, and there are several factors that can affect employee performance according to Kasmir (2016) three of which are organizational culture, commitment, and employee loyalty. The results of this study are in line with the results of research from Wahyuni (2020), which said that simultaneously loyalty, commitment and organizational culture have a positive and significant influence on employee performance.



4. Conclusion

- a. The results of the F test statistical testing show that Organizational Culture, organizational commitment, and loyalty together have a positive and significant effect on the performance of PT Millenium Pharmacon employees.
- b. The results of the statistical testing of the t test show that individually (partially) Organizational Culture has a positive and significant effect on the performance of PT Millenium Pharmacon employees.
- c. The results of statistical testing of t tests show that individually (partial) Organizational Commitment has a positive and significant effect on the performance of PT Millenium Pharmacon employees.
- d. The results of the statistical testing of the t test show that individually (partially) loyalty has a positive and significant effect on the performance of PT Millenium Pharmacon employees.
- e. Based on the coefficient of determination (R^2) it was found that 74.9% of employee performance was influenced very closely by organizational culture, organizational commitment and loyalty, while the remaining 25.1% was explained by other factors that were not included in this study variable.

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