

# The Influence of Organizational Culture Towards Organizational Commitment, Transformational Leadership, and Competitive Advantage Pasca Business Consolidation

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## Abstract

The purpose of this study is to analyze the relationship pattern between organizational culture, organizational commitment, transformational leadership, and competitive advantage. The study was conducted on consolidated State Owned Enterprises manufacturing companies in Indonesia, namely PT. X (Persero) Tbk, which includes PT. A, PT. B, and PT. C. Consolidation was done in achieving the vision and mission of the company as a leading cement company in Indonesia and Southeast Asia. This study used respondents of 121 managers with a stratified random sampling technique. Partial Least Square was used for data analysis. The results suggested that there is a significant positive effect between; (a) organizational culture on organizational commitment, (b) organizational culture towards transformational leadership, (c) organizational culture competitive advantage, (d) organizational commitment towards competitive advantage, and (e) transformational leadership towards competitive advantage.

**Keywords:** organizational culture, organizational commitment, transformational leadership, competitive advantage.

## 1. Background

PT. X (Persero) Tbk is a state-owned enterprise engaged in the cement industry with a capacity of 20.92 million tons of cement per year and has an approximately 46% share of the domestic cement market. There are three companies that resulted from the consolidation made by the Indonesian Government in 1995, namely PT. A, PT. B, and PT. C. These three companies have been successfully consolidated into PT. X (Persero), Tbk.

After the consolidation, the company was fully aware that they would be faced with several challenges. As it is known that all three companies, PT. A, PT. B, and PT. C, are located in different locations. Each of the three companies is located in East Java, West Sumatra, and South Sulawesi. Different plant locations have an impact on how the employees work and behave, whether it is from the aspect of technical, managerial, or conceptual. After consolidation, it is necessary to have a conducive organizational culture and a proactive leader that is willing to take risks, has innovations, has long-term orientation, and has a strategic-oriented behavior. The post-consolidation period requires a high commitment from employees in order for the company to achieve a sustainable competitive advantage.

An understanding of the impact of organizational culture on organizational behavior has actually been observed by Babnick (2011). His research results explained that the value of community, community practice, organizational culture, human resource practices, and organizational climate have a significant impact on organizational commitment and transformational leadership (Ke and Wei, 2008; Byrne and Bradley, 2007; Wiratmadja *et al.*, 2012). This finding is also supported by Meijen (2007); Hellreigel *et al.* (2004), Odom *et al.* (1990) and Rashid *et al.* (2003) who explained that organizational culture has a significant influence on organizational commitment. In other findings, it turns out that organizational commitment has a significant influence on the company's competitive advantage (Luque *et al.*, 2012; Sadri and Lees, 2001).

Therefore, this study intends to fill the gap and also to make the originality of this study that has never been researched by previous researchers before, which in turn is expected to complement and enhance previous researches by;

- 1) Analyzing the consequences of organizational culture towards organizational commitment and transformational leadership that can also have an impact on the company's competitive advantage.
- 2) Analyzing the impact of transformational leadership and organizational commitment to the company's competitive advantage.
- 3) Creating a comprehensive model of relationship patterns on organizational culture, organizational commitment, transformational leadership, and the company's competitive advantage after consolidation.

With taking the background of this study and some empirical studies into account, the key problem in this research is: "can the role of organizational culture shape organizational commitment, transformational leadership, and competitive advantage, and will organizational commitment and transformational leadership be able to influence PT. X's (Persero) competitive advantage?"

## 2. Theory Overview and Hypothesis

A healthy and developed company always hopes and wants a change for the better. In making changes, the company hopes to use the resources and capabilities in order to have a sustainable competitive advantage. The company must have the ability to be able to create value and enhance the desired results for stakeholders. Organizational change program, both in Europe, the United States, as well as those taking place in developing countries such as Indonesia, aims to create efficiencies in order to improve competitiveness, increases services to stakeholders, and seeks to improve employee productivity (Cunha and Cooper, 1998).

Robbins and Judge (2008) stated that organizational culture is a system of shared meaning, created by members of what would be the difference with other organizations. Kreitner and Kinicki's study (2007) reinforces the statement, that the organizational culture will shape the values, attitudes, assumptions, and expectations of employees which in turn will affect the organizational behavior of employees. Culture can influence behavior, such as leadership behaviors to align attitudes and values of the individual with the organization (O'Reilly *et al.*, 2010; Schein, 2004). Based on Schein's theory (1991), organizational culture is divided into three levels: (1) beliefs and assumptions, (2). norms and values, and (3) Artifacts. Whereas Hofstede's theory (1997) describes culture as the interaction of characteristic habits that affects groups of people within the environment.

Organizational commitment refers to the power that binds an individual to act relevant to one or more goals (Kreitner and Kinicki, 2007). The level of commitment, both the company's commitment to the employees and vice versa, is necessary because having a high commitment will create loyalty of employees to the organization, which will eventually lead to the employees having a sense of dependence and responsibility towards their organization.

Whereas according to the theory of leadership, this refers to a leader who has the charisma and the ability to give individual consideration and intellectual stimulation. A transformational leader is a leader who is capable of paying attention to the concerns and development of his followers, is enthusiastic and arousing, and can inspire his followers to give the extra effort to achieve the company's goals. Transformational leadership involves the development of a closer relationship between leaders and subordinates. With transformational leadership, the leader helps subordinates to visualize more strategic interests rather than their own interests for the sake of achieving the mission and vision of the organization. By developing self-confidence, effectiveness, and self-esteem of subordinates, the leader is expected to have a strong influence on the level of identification, motivation, and goal achievement of his followers (Robbins and Judge, 2008). Based on the study conducted by Bass and Avolio (1994), transformational leadership has four dimensions which are frequently referred to as *the Four I's*;" *Idealized influence, Inspirational motivation, Intellectual stimulation, and Individualized consideration.*

In response to the study of competitive advantage on a resource-based theory, Barney (1991, Hakim, 2006) filed a formal definition that is close to the understanding of sustainable competitive advantage that is often used today, which is the advantages achieved by implementing continuous strategies to create the unique values that are not owned by competitors. A company is said to have a sustainable competitive advantage if the company is able to create a unique and distinct value compared to competitors and potential competitors where they will not be able to replicate the advantages of this strategy. Grant (1999) said that resource cannot usually be productive by itself. Productive tasks require the cooperation of a set of resources. In order to make the potential resources as a source of sustainable

competitive advantage, there are four attributes or criteria that must be met (Barney, 1991; Ferdinand, 2005), namely (1) *value* - and the ability to exploit opportunities or neutralize environmental threats; (2) *rareness* - rare in the sense that not all companies are able to develop their resources effectively, (3) *imperfect imitability*, and (4) *substitutability* - not easily substituted.

Associated with previous researches, organizational culture can shape organizational commitment (Meijen, 2007; Hellreigel *et al.*, 2004; Odom *et al.*, 1990; Rashid *et al.*, 2003) and transformational leadership (Ke and Wei, 2008; Byrne and Bradley, 2007; Wiratmadja *et al.*, 2012). Ke and Wei (2008) examined organizational culture and leadership in ERP implementation. The study showed that leadership can be influenced by organizational culture in ERP implementation. Subsequently, Byrne and Bradley (2007) examined the influence of culture on leadership efficiency and how personal values can influence leadership style. Results showed that cultural values play a role in shaping the manager's leadership style. Likewise Ergeneli *et al.* (2007) who examined the relationship of transformational leadership with a dimension of cultural values. Results showed that there is a negative relationship of cultural values on the dimension of uncertainty towards transformational leadership. The same thoughts also came from Awan and Mahmood (2010).

Furthermore, Babnick (2011) explained that the value of community, community practice, organizational culture, human resource practices, and organizational climate have a significant impact on organizational commitment. This finding is supported by Meijen (2007; Hellreigel *et al.*, 2004), Odom *et al.*, 1990; Rashid *et al.*, 2003) which stated that organizational culture has a significant influence on organizational commitment. Based on previous studies, studies on the relationship between organizational cultures with leadership have been researched in a variety of organizations and areas of work. Several research results also showed that organizational culture has an influence on transformational leadership. A study conducted by Ergeneli *et al.* (2007) showed that organizational culture is negatively related to leadership. Meanwhile, a study conducted by Awan and Mahmood (2010) indicated that organizational culture does not relate to leadership. Different study results provide a gap for researchers to examine the relationship between organizational culture and leadership.

On the other hand, organizational culture can have a significant impact on the competitive advantage (Sadri and Lees, 2001; Testa and Sipe, 2011) which can be created if the company can create product and service attributes that cannot be replicated (Kandampully and Duddy, 1999) and has core competencies (Kimura and Mourdoukoutas, 2000). The company's competitive advantage is the way the company sustain its business (Day and Wensley, 1988). Competitive advantage can be created if the company can produce product and service attributes that cannot be replicated (Kandampully and Duddy, 1999) and has a core competence (Kimura and Mourdoukoutas, 2000).

*H1. There is a significant positive effect of organizational culture on organizational commitment.*

*H2. Organizational culture has a significant positive effect on transformational leadership.*

*H3. Organizational culture has a significant positive effect on the company's competitive advantage.*

Changes in organization will inevitably require the commitment of various parties. Organizational commitment plays a significant role because individuals must be interested in the objectives, values, and goals of the organization where they work. One who has a commitment to the organization will show its willingness to maintain his membership in the organization, is actively involved in the organization, and feels as a part of the organization. Therefore, in order for the organization to grow, it requires a strong commitment from the relationship formed between the organization and each member of the organization, especially when organizational change is underway. Organizational commitment demanded by the management committee and employees may include; *affective commitment*, *continuance commitment*, and *normative commitment*. Based on the study results, organizational commitment has an influence on the company's competitive advantage (Luque *et al.*, 2012).

*H4. Organizational commitment has a significant positive effect on the company's competitive advantage.*

Furthermore, changes in the organization will require a leader who can successfully manage the change to continue to grow during the learning process. One of the styles of leadership, namely transformational leadership, is appropriate to create that change. Leaders who have the transformational leadership style will have a visionary characteristic and could indirectly create an environment that supports learning, is willing to take risks, and can share ideas with others. Transformational leadership is based on the influence and the relationship between the leader and his

followers or subordinates (Bass, 1988). The followers trust, admire, respect, and are loyal to the leader, and have the commitment and high motivation to achieve a higher work performance. A transformational leader can motivate their followers in three ways, namely: (1) making them more aware of the importance of the results they work for, (2) encouraging them to be more concerned with the organization rather than themselves, and (3) able to pay close attention to the needs of his followers (Yukl, 1998). The study results conducted by Anjum and Khan (2012) found that leadership style apparently could affect company's competitive advantage. Companies are always trying to win the competition in the market by being the market leader. Leaders have a strategic role to achieve a competitive advantage because they can lead the organization to be successful in the market.

*H5. Transformational leadership has a significant positive effect on the company's competitive advantage.*

### 3. Research Method

This study was conducted using a test causality approach and analyzed the relationship between the observed variables, namely organizational culture-OC, organizational commitment-Ocom, transformational leadership-TL, and competitive advantage-CA of the company after consolidation. This study also used observational approach by observing data collection as it is without any intervention from the researchers. The survey was conducted by providing a list of questions and conducted interviews to the managers who serve as respondents. Questionnaires given to the respondents in this study were private, based on the perception of managers from three consolidated companies. A Likert scale technique was used, with a response option starting from strongly disagree (score 1) to strongly agree (score of 5). The samples, also as respondents, in this study are in part managers who joined the three consolidated companies, with a total of 156 managers. The questionnaires returned and further processed reached up to 121 (response rate of 77.5%). The results of the overall validity and reliability of the questionnaire items and variables are valid and reliable. PLS technique (Partial Least Square) was used to analyze research data.

### 4. Research Results

Characteristics of respondents in this study can be seen in Table 1. Based on Table 1, it is known that most of the respondents in this study are from PT. A, with a total of 70 people (57.9%); has a work span of over 1 to 7 years, up to 41 people (39.9%); a lot more male than female respondents that reached 99 people (81.8%); 28 people are 48 years and older (23.1%); and 72 people have a Bachelor's degree (59.5%).

Table 1. Characteristics of Respondents

Origin of Company	Frequency	Percentage
PT. A	26	21,5
PT. B	70	57,9
PT. C	25	20,7
Age		
1 – 7 y/o	41	39,9
8 – 14 y/o	23	19,0
15 – 21 y/o	21	17,4
22 – 28 y/o	22	18,2
29 – 36 y/o	14	11,6

Origin of Company	Frequency	Percentage
Gender		
Male	99	81,8
Female	22	18,2
Age		
≤ 23 y/o	7	5,8
24 – 29 y/o	25	20,7
30 – 35 y/o	18	14,9
36 – 41 y/o	24	19,8
42 – 47 y/o	19	15,7
≥ 48 y/o	28	23,1
Level of Education		
Diploma	35	28,9
S1	72	59,5
S2	14	11,6
Total	121	100,0

The result of Partial Least Square (PLS) statistical tests can be seen in Table 2.

Table 2: Path coefficients of Research Variables

Path	Path coefficients	Significance
H <sub>1</sub> : OC → OCom	0.616	0.000
H <sub>2</sub> : OC → TL	0.468	0.000
H <sub>3</sub> : OC → CA	0.644	0.000
H <sub>4</sub> : OCom → CA	0.251	0.003
H <sub>5</sub> : TL → CA	0.216	0.017

Based on Table 2, it can be concluded that:

- 1) The influence of organizational culture variables on organizational commitment obtained a path coefficient of 0.616 with a significance level of 0.000 (less than 0.05). This suggests that organizational culture variables significantly influence organizational commitment. Thus, the first hypothesis which states that there was a significant positive influence of organizational culture on organizational commitment is **accepted**.
- 2) The influence of organizational culture variables on transformational leadership obtained a path coefficient of 0.468 with a significance level of 0.000 (less than 0.05). This suggests that organizational culture variables significantly influence transformational leadership. Thus, the second hypothesis which states that organizational culture has an influence on transformational leadership is **accepted**.
- 3) The influence of organizational culture variables on competitive advantage obtained a path coefficient of 0.644 with a significance level of 0.000 (less than 0.05). This suggests that organizational culture variables significantly influence competitive advantage. Thus, the third hypothesis which states that organizational culture has a significant positive influence on competitive advantage is **accepted**.
- 4) The effect of organizational commitment variables on competitive advantage obtained a path coefficient of 0.251 with a significance level of 0.000 (less than 0.05). This indicates that organizational commitment variables significantly influence competitive advantage. Thus, the fourth hypothesis which states that organizational commitment has a significant positive effect on competitive advantage is **accepted**.

- 5) The effect of transformational leadership variables on competitive advantage obtained a path coefficient of 0.216 with a significance level of 0.000 (less than 0.05). This suggests that transformational leadership variables significantly influence competitive advantage. Thus, the fifth hypothesis which states that transformational leadership has a significant positive effect on competitive advantage is **accepted**.

## 5. Discussion

### *Organizational culture has a significant positive effect on organizational commitment*

Results of several studies have also shown that organizational culture has an influence on organizational commitment. These results supported Babnick's research (2011) which stated that organizational culture has a significant impact on organizational commitment and job satisfaction. This finding is supported by Meijen (2007; Hellreigel *et al.* (2004), Odom *et al.* (1990), and Rashid *et al.* (2003) which stated that organizational culture has a significant influence on organizational commitment.

As it is known that organizational culture has several functions, among others; (a) can determine boundaries, can distinguish between one and the other organizations; b) can develop a sense of identity for its members; c) can create a shared commitment between individuals; d) can increase social stability, create a social culture, as well as streamlining the organization and bond a sense of togetherness; and e) can act as a mechanism to create a meaning, to guide, and to shape the attitudes and behavior of its members. An effective/cohesive organizational culture is reflected on trust, open communication, considerate leadership with supportive subordinates, problem solving by groups, work independence, and exchange of information (Anderson and Krypionou, 1994). Denison (1990) suggested that there are four integrative principles of a reciprocal relationship between organizational culture and work effectiveness of the company. These four principles are named four key properties, consisting of: *involvement*; *consistency*; *adaptability*, and *mission*.

Employees of PT. X (Persero) Tbk must have organizational commitment that will be able to create a *sense of belonging*. The employees will be bound by the values of their organization and are expected to be motivated in doing their jobs. Murty and Hudiwinarsih (2012) said that the level of commitment, whether it is the company's commitment towards their employees or vice versa, is very necessary because this commitment will create a professional working environment. Individuals who are satisfied with their jobs tend to fulfill the commitment to their organization, so employee loyalty towards the organization will emerge, which will eventually lead to the employees having a sense of dependence and responsibility towards their organization. On the contrary, individuals who have a low organizational commitment are likely to work in a way that can interfere the organization's performance such as creating a high *turnover*, tardiness, complaints, and even work strikes.

### *Organizational culture has a significant positive effect on transformational leadership and competitive advantage.*

Results of several studies have also shown that organizational culture has an influence on transformational leadership. The results of this study supported the research conducted by Ke and Wei (2008) on organizational culture and leadership in the implementation of information technology. The results of this study suggested that leadership can be influenced by organizational culture in the implementation of information technology. Furthermore, Byrne and Bradley (2007) examined the influence of culture on leadership efficiency and how *personal values* affect leadership style. The results showed that cultural values play a role in shaping the manager's leadership style. Adding to the results, Tondok and Andarika (2004) argued that a transformational leadership style is a key factor that affects the attitudes, perceptions, and behaviors of employees which will then increase, motivation, job satisfaction, trust towards the leader, and is able to reduce the number of conflicts that often occur in an organization.

Even Wiratmadja *et al.* (2012) in his study concluded that, in principle, transformational leadership motivates subordinates to do better than what can be done and improves the confidence of subordinates. By implementing transformational leadership, subordinates will feel trusted, valued, loyal, and respect the leader. Subordinates will be motivated to do more than what is expected. If they can put aside their personal matters for the good of the organization, they will provide a tremendous influence on his followers. They can pay attention to the needs of self-development of his followers, help others see problems in a new way, and they can be able to please and inspire their followers to work hard in order to achieve their goals. PT. X (Persero) Tbk should be able to measure the

implementation of transformational leadership through;

- 1) Achieving the vision and mission to instill pride and earn respect and trust.
- 2) Communicating high expectations to subordinates in a good way, using a symbol to focus their attention on important businesses and purposes in a simple way.
- 3) Pushing intelligence, rationality, and problem solving skills carefully.
- 4) Providing personal attention and personally serve, train, and advice followers.

On the other hand, organizational culture can also have a significant impact on competitive advantage (Sadri and Lees, 2001; Testa and Sipe (2011), which can later be created if the company can produce product and service attributes that cannot be replicated (Kandampully and Duddy, 1999) and has a core competence (Kimura and Mourdoukoutas, 2000). Robbins and Judge (2008) described that a system with a shared meaning is formed by citizens who once made the difference compared to other organizations. If an organization has a different meaning in a system that is unique, distinctive, and has a character, then the organization will have a core competency and will be very hard to be replicated. There are also some function of organizational cultures, namely: a) a culture has a boundary-setting role and is able to distinguish between one and the other organizations; b) can create a sense of cultural identity for its members; c) can grow a culture of individual commitment; d) can increase the stability of social culture, can unite and unify the organization and create a sense of togetherness; and e) can act as a mechanism to create a meaning, to guide, and to shape the attitudes and behavior of its members. By looking at the bottom line of this study, it can be stated that the culture of organization serves as a creator of purposes and controls the mechanisms that guide and shape the attitudes and behavior of employees (Gordon, 1993). Denison (1990) suggested that how organizations work should be based on the involvement, consistency, adaptability, and mission created by the organization members.

*Organizational commitment has a significant positive effect on company's competitive advantage.*

This study concluded that organizational commitment has a significant positive effect on company's competitive advantage. The results of this study supported the research of Luque *et al.* (2012) which stated that organizational commitment has an influence on company's competitive advantage. In making organizational changes, commitment of various parties will be needed. Organizational commitment plays a significant contribution. Someone who has a commitment to the organization will show its willingness to maintain membership in the organization, is actively involved in the organization, and feels as a part of the organization. Therefore, in order for an organization to develop, a strong commitment from the relationship formed between the organization and each member of the organization is required, especially when organizational change is underway. Organizational commitment demanded by the management committee and employees may include; *affective commitment*, *continuance commitment*, and *normative commitment*. PT. X (Persero) Tbk should carefully assess and examine each of those organizational commitment indicators. This is because each employee will have a different typology of organizational commitment.

Employees of PT. X (Persero) Tbk with a strong effective commitment will have a sustainable loyalty on the organization only because they want to. The idea of *continuance commitment*, which is the commitment of individuals based on considerations of what must be sacrificed when leaving the organization, must be embedded within the employees. Individuals decide to remain in an organization because they consider it to fulfill their needs. So, it is closely related to the costs lost and the benefits gained. A *normative Commitment* involves the individual's beliefs about the responsibilities of the organization. Individuals remain in an organization because they feel obligated to be faithful to the organization. Employees who have a high normative commitment feel that they ought to set that aside for the organization. The combination of these three components will produce a strong bond in the consequent influence on work performance (Kreitner and Kinicki, 2007).

*Transformational leadership has a significant positive effect on company's competitive advantage.*

The results of the study explained that transformational leadership apparently has a significant positive effect on company's competitive advantage. These results supported the research conducted by Anjum and Khan (2012) who found that leadership style can affect company's competitive advantage. A company should win the competition in the market, for example, by being the market leader. Leaders should be able to have a proactive nature, risk-taking ability, innovations, long-term orientations, and a strategic-oriented behavior. Leaders have a strategic role in achieving a competitive advantage by leading their organizations to be successful in the market. Changes in the organization will require a

leader who can successfully manage the changes to continue to grow during the learning process. One of the styles of leadership, namely transformational leadership, is appropriate to create that change. Leaders who have the transformational leadership style will have a visionary characteristic and could indirectly create an environment that supports learning, is willing to take risks, and can share ideas with others. Transformational leadership is based on the influence and the relationship between the leader and his followers or subordinates (Bass, 1988). The followers trust, admire, respect, and are loyal to the leader, and have the commitment and high motivation to achieve a higher work performance. A transformational leader can motivate their followers in three ways, namely: (1) making them more aware of the importance of the results they work for, (2) encouraging them to be more concerned with the organization rather than themselves, and (3) able to pay close attention to the needs of his followers (Yukl, 1998).

## 6. Conclusion

In particular, this study resulted in several findings, among others; (1) organizational culture has a significant positive effect on organizational commitment in state-owned enterprises after consolidation; (2) organizational culture has a significant positive effect on transformational leadership in state-owned enterprises after consolidation; (3) organizational culture has a significant positive effect on state-owned enterprises' competitive advantage after consolidation, (4) organizational commitment has a significant positive effect on competitive advantage in state-owned enterprises after consolidation, and (5) leadership transformational has a significant positive effect on state-owned enterprises' competitive advantage after consolidation.

### 6.1 Theoretical Implications

Generally, this research can enrich and contribute a theory especially in the science of human resource management that has a significant role in a company that undergoes organizational changes. Organizational changes require a support of the theory of human resource management, especially on organizational changes. This study can also contribute to the relationship between the theories of human resource strategic management that relates the theory of organizational behavior and strategic management, namely in the aspect of the company's competitive advantage. Theoretically, this study is able to generate a theoretical model which relates the relationship pattern between organizational culture, organizational commitment, transformational leadership, and company's competitive advantage.

### 6.2 Managerial Implications

Managerial implications that can be recommended in this study are;

- 1) PT. X (Persero) Tbk should provide *reinforcement*, either through training or socialization, gradually and thoroughly to every employee at all levels about the importance of the benefits of organizational culture as an identity. PT. X (Persero) Tbk and their employees should also communicate with each other which will form solidarity later on.
- 2) PT. X (Persero) Tbk needs to increase organizational commitment at all levels. Organizational commitment implementation on the Indonesian Cement organization can be done by making slogans and stickers that draw the brand logo, hoping to evoke the employees' emotions to further enhance their sense of belonging.
- 3) Optimization of communicating the changes about the benefits and the purposes of incorporating the state-owned enterprises into Indonesian Cement must be socialized in a structured way, by still paying attention to the local culture of each region. Socialization may include the *content* that will be communicated, the media used, time frame, the program stages and targets, and monitoring and evaluation.
- 4) The increase of transformational leadership in the leadership level is needed in order for the followers to trust their leaders, both from the aspects of decision making, handling tasks, situations, and leadership within the organization, as well as the behavior that can set an example to the followers.
- 5) PT. X (Persero) Tbk should maintain their organizational culture that is different and unique compared to their competitors. That way, they will have a competitive advantage while still maintaining local culture. Their organizational culture should be socialized and communicated with an effective strategy that can act as a source of new identities for employees when they face great changes later on.



### 6.3. Research Limitations

This study resulted in a theoretical model which relates the relationship pattern between organizational culture, transformational leadership, organizational commitment, and competitive advantage in PT. X (Persero) Tbk. However, this study still has limitations, among others;

- 1) Questionnaires still have a lot of items that sometimes make it difficult for the respondents to fill out.
- 2) The sample used in this study came from three different locations, resulting the understanding of the questionnaires, especially in terms of local culture, to require a long and accurate qualitative exploration.
- 3) The study carried out was not by an in-depth research among different companies to determine whether there are different results from the differences in the location and the size of the companies.
- 4) This study was not conducted longitudinally, but with a *cross section* instead.

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