



Unlocking Employee Loyalty: How Motivation and Organizational Culture Shape Intention to Stay

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Abstract:

This study aims to look at the impact of motivation and organizational culture on the intention to stay in the financial business, with organizational commitment serving as an intervening variable. The study used a quantitative approach, collecting data through questionnaires issued to personnel in this area. The findings reveal that the motivation variable has a positive but negligible effect on organizational commitment, but organizational culture has a considerable impact. Organizational commitment has been shown to have a favorable and significant impact on intention to stay. Furthermore, motivation and organizational culture have a favorable influence on the intention to stay through organizational commitment, however, the indirect effect is not considerable. These findings highlight the significance of organizational culture in increasing employee loyalty and commitment in the banking sector.

Keywords: Motivation, Organizational Culture, Intention to Stay, Organizational Commitment

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I. INTRODUCTION

Employee retention has become a significant concern for organizations looking to maintain a competitive edge and achieve long-term success in the continuously changing financial industry. High staff turnover can result in considerable expenditures, such as recruitment, training, and lost productivity, thus financial institutions must understand the factors that influence employees' inclination to stay. According to research, motivation and organizational culture are two critical factors influencing employee behavior and attitudes. Employee retention is crucial in the banking industry, as high turnover rates raise questions about organizational commitment and workforce stability. Employee motivation and organizational culture play an important part in shaping individuals' commitment to their organizations, ultimately affecting their intention to stay. Understanding the elements that improve employee retention is essential for maintaining organizational success because the banking sector depends on human capital to drive financial intermediation and service quality. Maslow's Hierarchy of Needs states that a range of demands, from self-actualization to physiological and safety requirements, motivate employees (Maslow, 1943). Employee decisions to stay with or leave a company are influenced by motivation, which acts as a driving factor. Employee commitment and retention are greatly impacted by both intrinsic and extrinsic motivating elements, according to studies (Sugiarti, 2021). The notion that a favorable work environment influences the intention to stay was further supported by Azzuhairi et al. (2022), who noted that a supportive company culture increases employee engagement and loyalty. The internal and external forces that propel people to perform well and stick with their company are referred to as motivation. According to theories like Maslow's Hierarchy of Needs, which emphasizes the significance of social, esteem, and self-actualization needs in determining employee engagement, it incorporates a variety of demands. Additionally, employee behaviors and attitudes are shaped by organizational culture, which is described as the common values, beliefs, and conventions inside a business. This influences employees' sense of belonging and long-term commitment (Robbins, 2021).

Prior studies emphasize how commitment, corporate culture, and motivation are intertwined in determining an employee's intention to stay. According to a study by Ibrahim et al. (2016) and Setiawan et al. (2016), a strong company culture encourages greater levels of commitment, which lowers employee turnover. Similarly, Puspasari (2013) found a strong correlation between organizational commitment and motivation,

highlighting the fact that workers are more likely to stay engaged and loyal if they believe their company is supportive. Furthermore, it was shown by Windrawati et al. (2020) that job satisfaction and organizational culture both influence employee performance, with organizational commitment acting as a mediating element.

Organizational culture, on the other hand, stands for the common values, attitudes, and customs that mold the workplace and affect how coworkers interact. Employee commitment and retention may be improved by a strong corporate culture, which cultivates a feeling of community and alignment with the organization's objectives. With an emphasis on organizational commitment as an intervening variable, this study attempts to investigate the relationship among motivation, organizational culture, and intention to remain in the financial business. The study looks at these factors to offer insights that financial institutions may use to create plans to increase employee retention and cultivate a more engaged staff. The objectives of this study are as follows: (1) to describe the variables of motivation, organizational culture, organizational commitment, and intention to stay; (2) to analyze the effects of motivation and organizational culture on organizational commitment; (3) to assess the impact of motivation and organizational culture on intention to stay (4) to evaluate the influence of organizational commitment on intention to stay; and (5) to investigate the mediating role of organizational commitment in the relationship between motivation, organizational culture, and intention to stay.

II. LITERATURE REVIEW

The issue of employee retention in the financial industry has garnered significant attention, particularly regarding the roles of motivation, organizational culture, and organizational commitment. This literature review synthesizes recent findings to provide insights into these interrelated factors. Motivation is a key driver of employee behavior and engagement. Research by Deci and Ryan (2018) emphasizes the importance of intrinsic and extrinsic motivation in enhancing employee performance and satisfaction. When employees feel motivated, they are more likely to demonstrate commitment to their organization. A study by Hu et al. (2020) found that higher levels of motivation directly correlate with increased organizational commitment, suggesting that motivated employees are less likely to leave their jobs. Organizational culture encompasses the shared values and practices that shape the work environment. A strong organizational culture fosters employee engagement and satisfaction. According to Sylejmani (2023), a positive culture can significantly improve employee retention by creating a sense of belonging and alignment with organizational goals. Research by Almerri (2023) further supports this idea, showing that organizations with a supportive culture experience lower turnover rates, as employees feel more connected and valued.

Organizational commitment reflects the emotional attachment employees have to their organization. Meyer and Allen (2018) classify commitment into three dimensions: affective, continuance, and normative. Affective commitment, in particular, is linked to higher retention rates, as employees who feel emotionally connected are more likely to stay. A study by Silva & Pereira (2024) found that commitment is a strong predictor of intention to stay, highlighting its critical role in employee retention strategies.

III. RESEARCH HYPOTHESIS

The relationships among motivation, organizational culture, and organizational commitment are increasingly recognized in recent research. For instance, a study by Srie kaningsih & Setyadi (2015) demonstrated that both motivation and organizational culture significantly influence organizational commitment, which in turn affects employees' intention to stay. This interrelationship suggests that organizations should focus on enhancing employee motivation and fostering a positive culture to improve retention. Additionally, research by Liu et al. (2022) indicates that a strong organizational culture can amplify the effects of motivation on commitment and retention, emphasizing the need for financial institutions to cultivate an environment that supports both employee engagement and loyalty. Hence the hypotheses for this research are:

H1: Motivation and Institutional Culture have a significant impact on Organizational Commitment

H2: Motivation and Organizational Culture have a significant influence on Intention to Stay.

H3: Organizational Commitment has a significant influence on Intention to Stay

H4: Motivation and Organizational Culture have a significant influence on the Intention to Stay through Organizational Commitment

IV. RESEARCH METHOD

This study employs a quantitative research design, utilizing a survey method to collect data from employees within the financial industry. The quantitative approach allows for the measurement of relationships among the variables of motivation, organizational culture, organizational commitment, and intention to stay. The target population for this research consists of employees working in various roles within the financial industry. A total of 78 employees from different departments of selected financial institutions will be surveyed. The sample will

be selected using a simple random sampling technique to ensure that every employee has an equal chance of being included in the study.

Data will be collected through a structured questionnaire comprising several sections:

- 1) Motivation: This section will assess various aspects of employee motivation, including intrinsic and extrinsic factors, using a validated scale.
- 2) Organizational Culture: Questions will evaluate employees' perceptions of their organizational culture, focusing on core values, beliefs, and practices.
- 3) Organizational Commitment: This section will measure the level of commitment employees feel towards their organization, using established scales that capture affective, continuance, and normative commitment.
- 4) Intention to Stay: The final section will assess employees' intentions to remain with their organization in the foreseeable future.

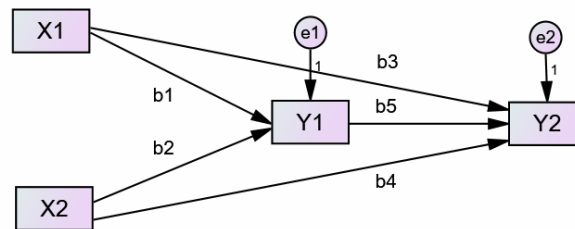
Following the presentation of the background and previous theoretical studies, to facilitate the formulation of hypotheses for this research, a research concept is created as follows:

Regression equation 1: $Y1 = b1X1 + b2X2 + e1$

Regression equation 2: $Y2 = b3X1 + b4X2 + b5Y1 + e2$

The structural equation model is presented in Figure 1.

Figure 1. Structural equation model



V. RESEARCH RESULTS

The hypothesis testing method is carried out by testing the probability value of each standardized coefficient in the regression equation model compared with an error rate of 0.05 (α). If the probability value does not exceed 0.05, it indicates that there is an effect of the dependent variable on the dependent variable. After testing the hypothesis, then conducting a path analysis to determine the effects of direct, indirect, and total effects in the structural equation model that was built. The data collected from the 78 employees were analyzed using SPSS software. The findings are presented below.

Descriptive Statistics

Table 1. Statistik Demografi sampel.

Variable	Item	Percentage
Gender	Female	52.6%
Age	34 yo an average	56.5%
Education	Strata 1	85.9%
Fin Experience	Up to 10 years	52.2%

Motivation: The average score for employee motivation was 3.8 (SD = 0.6).

Organizational Culture: The average score for organizational culture was 4.1 (SD = 0.5).

Organizational Commitment: The average score for organizational commitment was 3.7 (SD = 0.7).

Intention to Stay: The average score for intention to stay was 4.0 (SD = 0.6).

The results of hypothesis testing are presented in Table 2

Table 2. The results of the research hypothesis test

Variable			p.	α	result
Independent	Mediation	Dependent			
X1	Y1	-	0,062	0,05	H1 Rejected
X2	Y1	-	0,000		
X1		Y2	0,051	0,05	H2 Rejected
X2		Y2	0,002		
	Y1	Y2	0,000	0,05	H3 accepted
X1	Y1	Y2	0,062 and 0,000	0,05	H4 Rejected
X2	Y1	Y2	0,051 and 0,000		

Notes:

X1 is motivation

X2 is Organization Culture

Y1 is Organization Commitment

Y2 is Intention to Stay

The regression analysis revealed significant relationships:

Motivation has a value of 0.286 and a t-value of 1.894, with a p1 value of 0.062, which is greater than $p = 0.05$ ($\alpha = 5\%$). Meanwhile, the regression coefficient for the Organizational Culture variable is 0.551, with a t-value of 3.652 and a p2 p-value of 0.000, which is less than $\alpha = 5\%$. Based on the summary above, it indicates that the motivation variable does not have a significant effect on organizational commitment, while the organizational culture variable has a significant effect on organizational commitment.

The research results show that the regression coefficient for the Motivation variable is 0.313, with a t-value of 1.985 and a p3 p-value of 0.051, which is greater than $p = 0.05$ ($\alpha = 5\%$). Meanwhile, the regression coefficient for the Organizational Culture variable is 0.504, with a t-value of 3.196 and a p4 p-value of 0.002, which is less than $\alpha = 5\%$. Based on the summary above, it indicates that the motivation variable does not have a significant effect on Intention to Stay, while the organizational culture variable has a significant effect on Intention to Stay. Thus, the second research hypothesis is rejected.

The research shows that the regression coefficient for the Organizational Commitment variable is 0.912, with a t-value of 19.336 and a p5 p-value of 0.000, which is less than $p = 0.05$ ($\alpha = 5\%$). This means that organizational commitment has a positive and significant effect on Intention to Stay. Thus, the third research hypothesis can be accepted.

Mediation Analysis, Since the total effect value of 0.574 is greater than the direct effect of 0.313, and with p1 being 0.062 (greater than $p = 0.05$, $\alpha = 5\%$); p2 being 0.000 (less than $\alpha = 5\%$), and p5 being 0.000 (less than $\alpha = 5\%$), Organizational Commitment serves as an intervening variable that can mediate the relationship between Organizational Culture and Intention to Stay, as the total effect value of 1.006 is greater than the direct effect of 0.504. However, its influence is not significant. Therefore, the fourth research hypothesis is rejected.

VI. DISCUSSION

The results of this study provide valuable insights into the interplay between motivation, organizational culture, organizational commitment, and intention to stay within the financial industry. These findings align with existing literature and contribute to the understanding of employee retention dynamics.

Impact of Motivation

Motivation measures a person's ability to maintain their efforts throughout time. Motivated people will perform tasks long enough to achieve their objectives (Alma'Arif et al., 2022). Motivation is an encouragement that can bring out the meaning of the level and intensity of workers' efforts in struggling and trying to reach their goals (Apriyanto et al., 2021). The positive relationship between motivation and organizational commitment underscores the importance of motivation in enhancing employee engagement. This finding is consistent with Hu et al. (2020), and Irawan (2019) who emphasize that while motivation is crucial, it may not be sufficient on its own to ensure high commitment levels. Previous research by Deci and Ryan (2018) supports this notion, highlighting that intrinsic motivation stemming from personal satisfaction and a sense of purpose tends to foster deeper organizational commitment than extrinsic motivation, which is based on external rewards. The Motivation variable, based on Maslow's five needs, shows that bank employees are mainly motivated by social needs, enjoying interactions and friendships with coworkers. In Organizational Culture, attention to detail is important. Even small issues in the financial industry are taken seriously and addressed, which suits the banking environment. For Organizational Commitment, employees feel a strong emotional connection to the company, indicating their involvement and identification with it. Finally, regarding Intention to Stay, employees' emotional ties to their jobs and the challenges they face encourage them to remain with the company and contribute positively.

Role of Organizational Culture

An organization achieving predetermined goals needs an organizational culture as a guideline to direct employee behavior (Manis et al., 2022). Organizational culture is a set of shared values that are upheld by its members and serve to distinguish it from other organizations that have similar missions (Metan et al., 2022). The strong influence of organizational culture on organizational commitment corroborates Sylejmani's (2023) assertion that a positive organizational culture is vital for employee retention. This finding aligns with Almeria (2023), who demonstrated that a supportive culture not only enhances employee satisfaction but also reduces

turnover rates. Organizational culture's impact on retention can be attributed to its ability to create a sense of belonging among employees, thereby aligning their values with those of the organization. This connection fosters loyalty and reduces the likelihood of turnover. The research shows that both Motivation and Organizational Culture positively affect Organizational Commitment but in different ways. Motivation has no significant impact, while Organizational Culture does. This contradicts earlier studies that found motivation to be significant but supports previous findings on organizational culture. Many employees today do not rely solely on their company income to meet their needs; they can also use other sources. For respondents aged 25-30, social needs, like expanding their networks and gaining experiences, are a priority. However, Organizational Culture remains a strong reason for employees to stay committed, as they show loyalty even when they can get similar benefits elsewhere. Overall, this study disagrees with earlier research that stated motivation significantly affects commitment but aligns with studies confirming that organizational culture does have a significant impact.

Organizational Commitment as a Mediator

The significant role of organizational commitment as a mediator in the relationship between organizational culture and intention to stay highlights its crucial position in the retention framework. This finding supports Silva & Pereira (2024), who noted that employees with higher levels of commitment are more inclined to remain with their organizations. Previous studies, such as those by Meyer & Allen (2018), have established that affective commitment characterized by an emotional attachment to the organization significantly enhances retention rates. This research suggests that organizations should focus on cultivating a strong commitment through positive cultural practices, such as open communication and recognition of employee contributions. The study finds that the influence of motivation on Intention to Stay through organizational commitment is not significant, contradicting Setiawan (2016), Fahmi (2022), and Monica & Praseto (2021) research, which showed a positive and significant effect. On the other hand, the positive and significant influence of organizational culture on the Intention to Stay through organizational commitment aligns with findings from Alyani (2020), which indicated that organizational culture negatively affects the intention to leave through commitment.

VII. CONCLUSION

In summary, this study reinforces the critical roles of motivation, organizational culture, and organizational commitment in enhancing employee retention in the financial industry. By understanding these dynamics and their interrelationships, organizations can implement effective strategies to improve employee satisfaction and loyalty. Future research could explore longitudinal studies to better understand how these variables interact over time and their long-term effects on employee retention.

The study finds that Motivation, based on Maslow's theory, positively influences Intention to Stay, but this effect is not significant, whether directly or through Organizational Commitment. Although the results differ from previous research, the personal emotional evaluations of the respondents significantly impact the findings.

The results suggest that financial institutions should prioritize the development of a positive organizational culture to enhance employee motivation and commitment. Strategies may include promoting open communication, recognizing employee contributions, and aligning organizational values with employee expectations.

The study acknowledges potential limitations, including the reliance on self-reported data, which may introduce bias. Additionally, the findings may not be generalizable to all organizations within the financial industry due to the specific sample used. Despite these limitations, the research aims to provide valuable insights into the factors influencing employee retention in the financial sector.

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