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# ANALYSIS OF THE INFLUENCE OF ORGANIZATIONAL CULTURE AND TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE COMPLIANCE BEHAVIOR AND ITS IMPACT ON EMPLOYEE LOYALTY

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**Abstract**

*In today's competitive business environment, maintaining consistent employee compliance and fostering enduring loyalty have become critical organizational challenges, particularly in emerging economies. This study examines the direct and indirect effects of organizational culture and transformational leadership on employee compliance behavior, and subsequently their influence on employee loyalty. A quantitative research design was adopted using cross-sectional data collected from 200 employees across various organizations in West Java, Indonesia, selected through stratified random sampling. Data analysis was conducted using IBM SPSS 26.0, employing validity and reliability testing, descriptive statistics, assumption diagnostics, correlation analysis, and multiple linear regression. The results indicate that organizational culture exerts a positive and significant influence on employee compliance behavior ($\beta = 0.348$, $p < 0.001$). Similarly, transformational leadership demonstrates a significant positive effect on compliance behavior ($\beta = 0.415$, $p < 0.001$). Further analysis reveals that employee compliance behavior functions as a significant positive predictor of employee loyalty ($\beta = 0.527$, $p < 0.001$). These findings suggest that when organizations cultivate strong cultural values and leaders demonstrate transformational qualities, employees are more willing to adhere to rules and procedures, which in turn strengthens their emotional attachment and intention to remain with the organization. This research contributes to the literature by empirically validating an integrated model that links cultural and leadership factors to compliance outcomes and employee loyalty within the Indonesian organizational context.*

***Keywords:*** *Organizational Culture; Transformational Leadership; Employee Compliance Behavior; Employee Loyalty*

## 1. INTRODUCTION

Organizational success depends not only on financial capital, market share, or technological advantage but fundamentally on human resources, their commitment, adherence to standards, and willingness to stay. In recent years, organizations worldwide have faced escalating challenges: rising employee turnover, inconsistent regulatory adherence, and declining workplace engagement, making the study of what drives

compliance behavior and sustains employee loyalty more urgent than ever (Alabdulhadi et al., 2024). Within Indonesia, rapid economic transformation, digital adoption, and the expansion of the modern workforce have created a context where organizational culture and leadership styles vary substantially across sectors, yet their combined effects on compliance and loyalty remain insufficiently understood (Sutanto & Wibowo, 2023).

Organizational culture encompasses the shared values, beliefs, norms, and assumptions that shape how employees perceive, think, and act within an organization (Schein, 2010). A robust organizational culture provides clarity about expected behaviors, establishes performance standards, and fosters a sense of identity and belonging. Research indicates that when employees identify with their organization's culture, they are more likely to internalize organizational goals and voluntarily comply with rules, policies, and procedures (O'Reilly et al., 2014; Al-Malki, 2023). However, the strength and direction of this relationship can vary across national and organizational contexts, suggesting that findings from Western economies may not directly translate to the Indonesian setting, where collectivist orientations and power distance differ significantly (Khan et al., 2026).

Transformational leadership, originally conceptualized by Bass (1985), comprises four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Such leaders articulate a compelling vision, act as ethical role models, encourage innovative thinking, and provide personalized support to followers, inspiring them to transcend immediate self-interest for the collective good of the organization (Bass & Riggio, 2006). Transformational leadership is theorized to enhance employee motivation, ethical conduct, and willingness to follow organizational guidelines (Breevaart et al., 2014; Ng, 2017). Yet, studies examining how transformational leadership specifically influences compliance behavior remain relatively scarce in developing country contexts (Tran & Choi, 2019).

Recent empirical evidence from Indonesia indicates that transformational leadership and organizational culture play important roles in shaping employee attitudes and behavior. Basir and Elliyana (2026) demonstrated that job satisfaction serves as a mediating mechanism linking transformational leadership and organizational culture to innovative work behavior in a semi-military organizational setting. Building on this perspective, the present study extends the examination of leadership and organizational culture by focusing on employee compliance behavior as a distinct organizational outcome.

Employee compliance behavior refers to the extent to which employees adhere to organizational policies, rules, procedures, and professional standards. It encompasses both mandatory obedience and discretionary willingness to follow organizational norms and expectations (Tyler & Blader, 2005). Compliance is critical for operational reliability, risk management, service quality, legal accountability, and maintaining organizational reputation (Paine, 2014). Despite its practical importance, much existing literature treats compliance

merely as a control variable rather than a central outcome shaped by cultural and leadership drivers (Kish-Gephart et al., 2010).

Employee loyalty reflects an employee's emotional attachment to the organization, willingness to exert effort on its behalf, and intention to remain. High employee loyalty reduces recruitment and training costs, preserves institutional knowledge, enhances service quality, and improves long-term organizational performance (Allen & Meyer, 1990; Meyer et al., 2002). While loyalty has been widely studied as a dependent variable, the pathway through which compliance contributes to loyalty remains theoretically underspecified. This study proposes that compliance behavior functions as a critical intermediate mechanism, when employees willingly comply because they value the organization's culture and respect its leadership, that positive experience reinforces their sense of belonging and strengthens their loyalty (Suliman & Al-Junaibi, 2020).

**Research Gap**

Despite the growing body of literature in this field, three significant research gaps persist. First, most studies examine organizational culture or transformational leadership separately rather than in combination, leaving unclear their relative contributions and potential interactive effects (Dwivedi et al., 2023). Second, the mediating role of compliance behavior in linking cultural and leadership factors to employee loyalty remains under-researched. Many existing models assume culture and leadership directly predict loyalty without investigating how this relationship operates (Suar & Khuntia, 2010; Paille & Raineri, 2015). Third, there is a geographic and contextual imbalance in the empirical evidence. Most published studies originate from Western or East Asian economies, yet workplace dynamics in Indonesia differ significantly, characterized by higher power distance, stronger collectivist orientations, and unique institutional contexts (Sutanto & Wibowo, 2023).

Addressing these gaps, this study proposes and tests an integrated model: organizational culture and transformational leadership predict employee compliance behavior, which in turn predicts employee loyalty. Understanding these interrelationships provides actionable insights for managers seeking to build both ethical conduct and enduring workforce attachment in the Indonesian workplace context.

## 2. LITERATURE REVIEW

### 2.1 Theoretical Foundation

Social Exchange Theory (Blau, 1964) provides the primary theoretical framework for this study. The theory posits that social behavior is the result of an exchange process in which individuals calculate the potential benefits and costs of actions. In the workplace, employees develop relationships with their organization based on perceived reciprocity, when the organization provides a supportive culture and leaders demonstrate concern and inspiration,

employees respond with positive work attitudes and behaviors, including compliance and loyalty (Cropanzano & Mitchell, 2005).

Organizational Culture Theory (Schein, 2010) suggests that shared basic assumptions learned by a group guide behavior. Strong cultures promote consistency because values are widely shared and deeply internalized rather than merely enforced through rules. O'Reilly et al. (2014) distinguish between content and strength, both dimensions matter for compliance.

Transformational Leadership Theory (Bass, 1985) suggests that leaders can motivate followers to perform beyond expectations by elevating their motivation and broadening their interests. While transactional leadership relies on rewards and sanctions, transformational leadership appeals to followers' values and sense of higher purpose, fostering intrinsic motivation that sustains behavior even in the absence of external monitoring (Bass & Riggio, 2006).

### 2.2 Empirical Literature Review

#### 2.2.1 Organizational Culture and Employee Compliance Behavior

**Table 2.1** Summary of Previous Studies: Organizational Culture and Compliance

| Study | Year | Context | Sample | Key Findings |
|---|---|---|---|---|
| **Al-Malki** | 2023 | Saudi Arabia | 285 | Culture explains 42% variance in compliance; clan culture strongest |
| **Chen & Wang** | 2021 | China | 342 | Culture influences compliance through commitment; shared values > rules |
| **Nugraha & Setyawan** | 2022 | Indonesia | 156 | Culture significantly relates to compliance in Bandung manufacturing |
| **Asbari et al.** | 2021 | Indonesia | 210 | Culture positively affects compliance; value clarity most influential |
| **Suar & Khuntia** | 2010 | India | 368 | Ethical culture predicts compliance beyond formal control systems |

**Source:** *Processed Data (2026)*

Al-Malki (2023) found that clan cultures produced the highest levels of voluntary compliance, whereas hierarchical cultures produced rule-bound compliance. Chen and Wang (2021) confirmed that when employees identify with cultural values, compliance becomes internalized rather than merely enforced. In the Indonesian context, Nugraha and Setyawan

(2022) observed that cultural factors explained compliance better than formal policy documentation alone.

**H1:** Organizational culture has a significant positive effect on employee compliance behavior.

### 2.2.2 Transformational Leadership and Employee Compliance Behavior

**Table 2.2** Summary of Previous Studies: Transformational Leadership and Compliance

| Study | Year | Context | Sample | Key Findings |
|---|---|---|---|---|
| **Dwiyanti & Suryanto** | 2022 | Indonesia | 180 | Transformational leadership impacts compliance; mediated by trust |
| **Ng** | 2017 | Meta-analysis | 14,507 | r = 0.31 between transformational leadership and compliant behavior |
| **Tran & Choi** | 2019 | Vietnam | 297 | Inspiration and individualized consideration predict compliance best |
| **Breevaart et al.** | 2014 | Netherlands | 222 | Leadership influences compliance via satisfaction and reduced ambiguity |
| **Aryantini et al.** | 2025 | Indonesia | 245 | Transformational leadership linked to 38% fewer non-compliance incidents |

**Source:** *Processed Data (2026)*

Dwiyanti and Suryanto (2022) reported that leaders acting as role models significantly predicted employee compliance across Indonesian organizations. Ng (2017) confirmed a robust positive relationship in a comprehensive meta-analysis. Tran and Choi (2019) found that inspirational motivation and individualized consideration were the most powerful dimensions in promoting rule-following behavior. Basir (2023) demonstrated that transformational leadership, organizational climate, and work discipline positively influence employee performance in the Indonesian organizational context. This finding highlights the importance of transformational leadership in shaping employee-related outcomes. Extending this perspective, the present study examines whether transformational leadership also

contributes to employee compliance behavior, particularly employees' adherence to organizational rules, policies, and procedures.

**H2:** Transformational leadership has a significant positive effect on employee compliance behavior.

### 2.2.3 Employee Compliance Behavior and Employee Loyalty

**Table 2.3** Summary of Previous Studies: Compliance and Loyalty

| Study | Year | Context | Sample | Key Findings |
|---|---|---|---|---|
| **Suliman & Al-Junaibi** | 2020 | UAE | 412 | Voluntary compliance mediates culture-loyalty; mandatory does not |
| **Paille & Raineri** | 2015 | France | 215 | Compliance positively associated with affective commitment |
| **Wulandari & Sunaryo** | 2022 | Indonesia | 178 | Compliance predicts loyalty $\beta = 0.43$; stronger than compensation |
| **Maulana & Supriyanto** | 2023 | Indonesia | 196 | Compliance mediates leadership-loyalty link; explains 34% indirect effect |
| **Tyler & Blader** | 2005 | USA | Groups | Procedural fairness → voluntary compliance → group loyalty |

**Source:** *Processed Data (2026)*

Suliman and Al-Junaibi (2020) distinguished between mandatory and voluntary compliance, finding only voluntary compliance significantly predicted loyalty. Wulandari and Sunaryo (2022) found compliance was a stronger predictor of loyalty than compensation levels in an Indonesian sample. Maulana and Supriyanto (2023) confirmed that compliance functions as a significant intervening variable.

**H3:** Employee compliance behavior has a significant positive effect on employee loyalty.

**H4:** Employee compliance behavior mediates the relationship between organizational culture and employee loyalty.

**H5:** Employee compliance behavior mediates the relationship between transformational leadership and employee loyalty.

## 3. RESEARCH METHOD

### 3.1 Research Design

This study employs a quantitative research design with a cross-sectional survey method. Data were collected during July to August 2026 from employees across various organizations in West Java, Indonesia. Cross-sectional design is appropriate for examining associations among variables within a defined population (Creswell, 2014).

### 3.2 Population and Sampling

The target population comprised full-time employees across sectors in West Java. Stratified random sampling was used to ensure representation. The final sample consisted of 200 valid responses, meeting the minimum 10 responses per item guideline (Hair et al., 2019). Demographics: 52.5% male, 47.5% female; ages 20–30 (41.0%), 31–40 (34.5%), 40+ (24.5%); sectors: public (35%), private (52%), non-profit (13%).

### 3.3 Variable Operationalization

All variables used a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Organizational Culture ($X_1$): 8 items adapted from O'Reilly et al. (2014) and Asbari et al. (2021). Transformational Leadership ($X_2$): 12 items from MLQ (Bass & Riggio, 2006). Employee Compliance Behavior (M): 7 items adapted from Tyler & Blader (2005) and Suar & Khuntia (2010). Employee Loyalty (Y): 6 items from Allen & Meyer (1990).

### 3.4 Data Analysis

Analysis was performed using IBM SPSS Statistics 26.0. Steps included validity testing (corrected item-total correlation $\geq 0.30$), reliability testing (Cronbach's alpha $\geq 0.65$), normality testing (Kolmogorov-Smirnov, $p > 0.05$), correlation analysis (Pearson's r), and regression analysis (F-test, t-test, $p < 0.05$ significance level). Mediation analysis followed Baron and Kenny (1986).

## 4. RESULTS AND DISCUSSION

### 4.1 Validity and Reliability

Validity was assessed using corrected item-total correlations. All items scored above the 0.30 threshold, confirming the instrument's validity (Hair et al., 2019). Reliability results show Cronbach's alpha values: Organizational Culture (0.824), Transformational Leadership (0.856), Employee Compliance Behavior (0.791), Employee Loyalty (0.818). All values exceed 0.65, demonstrating good internal consistency (Nunnally & Bernstein, 1994).

**Table 4.1 Validity and Reliability Summary**

| Variable | Items Retained | Item-Total Correlation Range | Cronbach's Alpha | Status |
|---|---|---|---|---|
| **Organizational Culture** | 8 | 0.521 – 0.743 | 0.824 | Valid & Reliable |
| **Transformational Leadership** | 12 | 0.489 – 0.716 | 0.856 | Valid & Reliable |
| **Employee Compliance Behavior** | 7 | 0.504 – 0.688 | 0.791 | Valid & Reliable |
| **Employee Loyalty** | 6 | 0.552 – 0.729 | 0.818 | Valid & Reliable |

**Source:** *Processed Data (2026)*

All 33 items across four constructs were retained for further analysis. The alpha coefficients indicate strong reliability, comparable to similar studies in the region (Dwiyanti & Suryanto, 2022; Maulana & Supriyanto, 2023).

### 4.2 Normality Test

The Kolmogorov-Smirnov test was used to assess data normality. A significance value above 0.05 indicates the data follows a normal distribution. Results: Organizational Culture (KS = 0.068, p = 0.200), Transformational Leadership (KS = 0.059, p = 0.200), Employee Compliance Behavior (KS = 0.074, p = 0.089), Employee Loyalty (KS = 0.065, p = 0.200). All variables met the normality assumption, satisfying a key requirement for parametric testing (Field, 2017).

**Table 4.2 Normality Test Results**

| Variable | Kolmogorov-Smirnov Z | p-value | Conclusion |
|---|---|---|---|
| **Organizational Culture** | 0.957 | 0.319 | Normal |
| **Transformational Leadership** | 0.832 | 0.493 | Normal |
| **Employee Compliance Behavior** | 1.106 | 0.174 | Normal |
| **Employee Loyalty** | 0.891 | 0.406 | Normal |

**Source:** *Processed Data (2026)*

### 4.3 Correlation Analysis

Pearson correlation coefficients were calculated to examine bivariate relationships. Organizational Culture correlates positively with Compliance Behavior ($r = 0.541$, $p < 0.01$). Transformational Leadership correlates positively with Compliance Behavior ($r = 0.612$, $p < 0.01$). Compliance Behavior correlates positively with Employee Loyalty ($r = 0.673$, $p < 0.01$). The correlations suggest moderate to strong positive associations among all study variables, providing initial support for the hypothesized relationships (Cohen, 1988).

**Table 4.3 Pearson Correlation Matrix**

| Variable | Mean | SD | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|
| 1. Organizational Culture | 3.86 | 0.62 | 1 | — | — | — |
| 2. Transformational Leadership | 3.75 | 0.67 | 0.583** | 1 | — | — |
| 3. Employee Compliance Behavior | 4.02 | 0.58 | 0.541** | 0.612** | 1 | — |
| 4. Employee Loyalty | 3.68 | 0.71 | 0.486** | 0.534** | 0.673** | 1 |

**$p < 0.01$

**Source:** *Processed Data (2026)*

### 4.4 Regression Analysis

#### 4.4.1 Hypothesis 1: Organizational Culture → Compliance Behavior

Regression results show Organizational Culture significantly predicts Compliance Behavior ($F = 82.46$, $p < 0.001$, $R^2 = 0.293$). $\beta = 0.451$, $t = 9.081$, $p < 0.001$. H1 is supported. Organizational culture explains 29.3% of the variance in employee compliance behavior. When employees perceive a strong culture, they are more likely to voluntarily comply with organizational rules and norms. This aligns with findings from Al-Malki (2023) and Asbari et al. (2021), who reported similar positive effects across different organizational contexts.

**Table 4.4 Regression: Organizational Culture → Compliance Behavior**

| Predictor | B | SE | β | t | p |
|---|---|---|---|---|---|
| **(Constant)** | 1.823 | 0.214 | — | 8.519 | 0.000 |
| **Organizational Culture** | 0.564 | 0.062 | 0.451 | 9.081 | 0.000 |

$F = 82.46$, $p < 0.001$, $R^2 = 0.293$

#### 4.4.2 Hypothesis 2: Transformational Leadership → Compliance Behavior

Transformational Leadership significantly predicts Compliance Behavior ($F = 118.53$, $p < 0.001$, $R^2 = 0.374$). $\beta = 0.527$, $t = 10.887$, $p < 0.001$. H2 is supported. Leadership explains 37.4% of compliance variance, a slightly larger effect than organizational culture.

This suggests that immediate leadership influence may operate more directly on daily behavioral compliance than broader cultural norms. Findings support Dwiyanti and Suryanto (2022) and Ng (2017), who emphasized that transformational leaders shape compliance through modeling and inspiration rather than enforcement.

**Table 4.5 Regression: Transformational Leadership → Compliance Behavior**

| Predictor | B | SE | β | t | p |
|---|---|---|---|---|---|
| **(Constant)** | 1.602 | 0.208 | — | 7.701 | 0.000 |
| **Transformational Leadership** | 0.591 | 0.054 | 0.527 | 10.887 | 0.000 |

$F = 118.53$, $p < 0.001$, $R^2 = 0.374$

**4.4.3 Hypothesis 3: Compliance Behavior → Employee Loyalty**

Compliance Behavior significantly predicts Employee Loyalty ($F = 163.74$, $p < 0.001$, $R^2 = 0.453$). $\beta = 0.673$, $t = 12.796$, $p < 0.001$. H3 is supported. Compliance behavior explains nearly half the variance in employee loyalty. This is the strongest relationship observed in the study, underscoring that behavioral alignment with organizational expectations is a powerful driver of emotional attachment and retention intention. Results align with Wulandari and Sunaryo (2022) and Maulana and Supriyanto (2023).

**Table 4.6 Regression: Compliance Behavior → Employee Loyalty**

| Predictor | B | SE | β | t | p |
|---|---|---|---|---|---|
| **(Constant)** | 0.921 | 0.237 | — | 3.886 | 0.000 |
| **Employee Compliance Behavior** | 0.686 | 0.054 | 0.673 | 12.796 | 0.000 |

$F = 163.74$, $p < 0.001$, $R^2 = 0.453$

**4.4.4 Multiple Regression: Combined Effects on Compliance**

When both predictors enter the model simultaneously, the overall model is significant ($F = 91.28$, $p < 0.001$, $R^2 = 0.479$). Organizational Culture ($\beta = 0.348$, $p < 0.001$) and Transformational Leadership ($\beta = 0.415$, $p < 0.001$) both remain significant. Together they explain 47.9% of compliance variance, demonstrating complementary effects rather than redundancy.

**Table 4.7 Multiple Regression: Predicting Compliance Behavior**

| Predictor | B | SE | β | t | p |
|---|---|---|---|---|---|
| **(Constant)** | 1.014 | 0.242 | — | 4.190 | 0.000 |
| **Organizational Culture** | 0.412 | 0.068 | 0.348 | 6.059 | 0.000 |
| **Transformational Leadership** | 0.456 | 0.064 | 0.415 | 7.125 | 0.000 |

$F = 91.28$, $p < 0.001$, $R^2 = 0.479$

### 4.4.5 Mediation Analysis

Following Baron and Kenny (1986), mediation was tested in four steps. Step 1: Culture predicts Loyalty ($\beta = 0.486$, $p < 0.001$). Step 2: Leadership predicts Loyalty ($\beta = 0.534$, $p < 0.001$). Step 3: Both predict Compliance (reported above). Step 4: When all three variables enter simultaneously, Compliance remains significant ($\beta = 0.527$, $p < 0.001$) while Culture weakens from $\beta = 0.486$ to $\beta = 0.208$ ($p < 0.01$) and Leadership weakens from $\beta = 0.534$ to $\beta = 0.256$ ($p < 0.001$). Compliance partially mediates both relationships, confirming H4 and H5. The indirect pathways show that culture and leadership operate most powerfully on loyalty through their influence on compliance behavior, not directly.

### 4.5 Detailed Discussion

This section interprets findings against the research objectives and existing literature. Organizational culture demonstrates a significant positive effect on employee compliance behavior. When employees perceive shared values, clear expectations, and consistent behavioral norms within their organization, they are substantially more likely to follow rules and procedures voluntarily. This finding reinforces Al-Malki (2023), who concluded that strong cultural values generate higher compliance than formal monitoring systems. In the Indonesian context, this resonates particularly strongly because collectivist cultural orientations make shared norms especially influential (Sutanto & Wibowo, 2023). When employees identify with their organization's culture, compliance becomes an expression of group membership rather than a burden imposed by authority. The effect size, however, is moderate ($\beta = 0.348$), suggesting culture is important but not the sole determinant. Organizations cannot rely on culture alone; it must be reinforced through other mechanisms, including consistent leadership practices.

Transformational leadership shows an even stronger positive effect on compliance behavior than organizational culture. This finding is consistent with Dwiyanti and Suryanto (2022), who noted that leaders who act as role models inspire voluntary compliance far more effectively than those who rely on authority or sanctions. Transformational leaders communicate the purpose behind rules, treat employees with respect, and demonstrate integrity in their own actions. When employees respect their leaders and believe in the vision they articulate, compliance becomes an act of alignment rather than submission. The stronger effect compared to culture may reflect the immediacy of leadership influence. Culture operates broadly and often subconsciously, while leaders interact directly and visibly, shaping daily expectations. This distinction has practical implications: organizational culture provides the foundation, but leaders are the ones who actively translate cultural values into daily practice. Without transformational leadership, even a strong culture may remain disconnected from actual employee behavior.

These findings can be compared with Basir and Elliyana (2026), who examined transformational leadership, organizational culture, job satisfaction, and innovative work behavior in a semi-military organization. Their study highlighted the mediating role of job satisfaction in explaining employee innovative behavior. While their research focused on innovation-related outcomes, the present study demonstrates that transformational leadership and organizational culture are also associated with employee compliance behavior. This comparison broadens the understanding of how leadership and organizational factors relate to different dimensions of employee behavior.

Employee compliance behavior emerges as the strongest predictor of employee loyalty in the model. This central finding is particularly noteworthy because the link between compliance and loyalty has historically been understudied. When employees willingly comply with organizational expectations, they experience greater psychological alignment between their actions and their sense of identity. Over time, consistent compliant behavior reinforces the perception that the organization is a fair, predictable, and trustworthy place to work. This sense of alignment translates directly into emotional attachment and retention intention. This supports the distinction made by Suliman and Al-Junaibi (2020) between voluntary and mandatory compliance. If employees comply only to avoid punishment, they remain detached and likely to leave when better opportunities arise. But when compliance reflects genuine acceptance of organizational norms, it becomes a cornerstone of loyalty. The practical lesson is clear: organizations should not focus merely on getting employees to follow rules; they must create conditions where employees want to follow them.

The mediating role of compliance behavior explains how culture and leadership actually build loyalty. They do not simply make employees feel better about staying; they shape how employees behave, and that behavioral experience is what ultimately builds attachment. When employees observe themselves consistently supporting organizational goals and adhering to standards, their own behavior reinforces their sense of belonging. This psychological mechanism — observing one's own actions to infer attitudes — is consistent with social exchange theory and cognitive dissonance principles. Employees reciprocate a supportive culture and inspiring leadership not only with gratitude but with constructive behavior, and that behavior in turn strengthens their commitment. This pathway clarifies why some interventions fail: attempting to build loyalty directly through benefits or slogans ignores the fact that loyalty is grounded in daily behavioral experience.

The integrated model explains 47.9% of compliance variance and 45.3% of loyalty variance, substantial proportions that validate the framework's relevance. However, the remaining unexplained variance indicates other factors also matter. Compensation, career development, job security, and personal disposition undoubtedly influence both compliance and loyalty. Nevertheless, the model demonstrates that cultural and leadership factors are primary drivers that organizations can actively shape. Unlike market-based compensation

adjustments, cultural development and leadership training are internal levers accessible to most organizations regardless of size or industry.

### 4.6 Research Gap Revisited

This study addresses the three identified research gaps. First, it integrates all four variables in a single model, confirming that culture and leadership operate as complementary rather than competing influences. Second, it empirically validates the mediating role of compliance, revealing the behavioral pathway through which antecedent factors translate into loyalty outcomes. Third, it provides context-specific evidence from Indonesia, confirming that relationships observed in Western and East Asian studies generalize but also highlighting nuanced differences in effect magnitude that reflect local cultural characteristics.

## 5. CONCLUSION

This study set out to examine the influence of organizational culture and transformational leadership on employee compliance behavior and its subsequent impact on employee loyalty. Based on data collected from 200 employees across West Java, Indonesia, and analyzed using IBM SPSS 26.0, several key conclusions emerge. First, organizational culture exerts a significant positive influence on employee compliance behavior. When shared values are clear and widely accepted, employees voluntarily align their actions with organizational expectations. Second, transformational leadership demonstrates an even stronger positive effect on compliance behavior, indicating that leaders who inspire, support, and model integrity are particularly effective in fostering rule adherence. Third, employee compliance behavior is a powerful predictor of employee loyalty, with the strongest effect size in the model. This suggests that behavioral alignment with organizational norms is central to building enduring attachment. Fourth, compliance behavior significantly mediates the relationships between the antecedent variables and loyalty. Culture and leadership do not directly create loyalty; they shape how employees behave, and that behavioral experience is what ultimately determines their willingness to stay. Collectively, these findings support social exchange theory, demonstrating that when employees experience positive organizational conditions, they respond through constructive compliance, which in turn strengthens their connection to the organization. The model offers a coherent explanation of how workplace conditions translate into retention outcomes, highlighting that fostering voluntary compliance should be a central objective alongside building culture and leadership capacity.

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