



**JOURNAL OF ECONOMIC
DEVELOPMENT & VILLAGE BUILDING**

Journal Homepage : <http://jedvb.polteksci.ac.id/index.php/jedvb/>



A PHENOMENOLOGICAL STUDY OF ORGANIZATIONAL CULTURE AND EMPLOYEE LOYALTY IN THE CREATIVE INDUSTRY

Diana Maghfiroh

Universitas Cendekia Mitra Indonesia, Indonesia

e mail: dianamagfiroh0002@gmail.com

Article received on October 2024 — Final revised on December 2024 — Approved on January 2025

Abstract

This study explores employees' lived experiences regarding organizational culture and its influence on job loyalty in the creative industry. Employing a qualitative methodology with a phenomenological approach, the research involves in depth interviews and participatory observations with employees from three creative companies in Jakarta and Bandung. The findings reveal that organizational cultures characterized by inclusivity, openness to innovation, and appreciation for individual contributions foster stronger emotional attachment and employee job loyalty. Elements such as freedom of expression, work flexibility, team collaboration, and recognition emerge as critical pillars that support sustainable employment relationships. Additionally, the study highlights the discrepancy between declarative and practiced culture, showing that misalignments can hinder trust and reduce loyalty. Leadership plays a central role in shaping and maintaining these cultural values. The study contributes theoretically by centering employee perspectives and offers practical insights for creative industry managers to cultivate environments that align with modern workers' emotional and psychological needs.

Keywords: *organizational culture, employee loyalty, creative industry, phenomenological study, qualitative.*

INTRODUCTION

Organizational culture and employee loyalty are two essential concepts in human resource management that are closely interrelated (Robbins & Judge, 2019; Yukl, 2013). In today's global context, companies compete in product and service innovation and create a work environment that can retain their best employees (Barney & Wright, 1998; Ulrich, 2016). A report from Deloitte Global Human Capital Trends (2023) highlights that a strong organizational culture is a key factor in attracting and retaining talent in an era of flexible and dynamic work. Amidst the trend of mass resignation and the demand for work life balance, employee loyalty is an increasingly complex challenge that demands a new approach based on values and experiences (Huselid, 1995; Gallup, 2021).

In the creative industries, this issue becomes even more prominent. The creative industry is known for its dynamic, flexible, yet mentally and emotionally challenging

work environment (Florida, 2002; Pratt, 2011). Employees in this sector generally value freedom of expression, recognition of work, and support for new ideas (Bilton, 2010; Caves, 2000). Data from the Indonesian Creative Economy Agency (BEKRAF) states that the creative economy sector contributes more than 7.4% to the national GDP and employs more than 17 million workers (BEKRAF, 2022). However, the retention rate of employees in this industry is still relatively low (World Economic Forum, 2021). Many creative workers change workplaces or choose the freelance route because they lack organizational support for their values (McRobbie, 2016; Gill, 2014).

This fact indicates a gap between the expectations and reality experienced by employees in creative organizations. While companies claim to embrace an open and collaborative culture, there are still various structural barriers, weak internal communication, and a lack of recognition of individual contributions (DeLong & Fahey, 2000; Eisenberger et al., 2001). This phenomenon raises fundamental questions: What are employees' subjective experiences of organizational culture? Moreover, how do these experiences shape or influence their job loyalty?

Organizational culture is critical in shaping employee behavior, motivation, and long term commitment, particularly in the dynamic and rapidly evolving creative industries. Because organizations in this sector rely heavily on innovation, individual expression, and collaborative environments, internal cultural norms significantly impact how employees view their roles and decide whether to remain loyal to their companies.

How women's work structures recognition. In recent years, attention has been paid to how certain demographic groups, particularly women, experience organizational culture differently. In the creative industries, where work structures tend to be informal and heavily reliant on networks, women often face challenges such as limited access to leadership roles, unequal recognition, and balancing professional demands with societal expectations. These women's business issues, while often discussed under the broader umbrella of gender equality, also intersect with organizational culture and can impact employees' sense of belonging, satisfaction, and loyalty to their organizations.

This study uses a phenomenological approach to explore how employees in the creative industries, particularly women professionals, experience organizational culture and how these lived experiences shape their organizational loyalty. By combining themes from women's workplace challenges (as outlined in Table 1), this study seeks to understand not only the general dynamics of organizational culture but also its differential impact across gender lines, which is essential for fostering inclusive and sustainable creative workplaces.

Table 1. Women's Business Issues

No.	Problems	Impact on Women's Businesses	Source
1	Low digital literacy	Unable to access e commerce platforms	UN Women, 2022
2	Dependence on offline markets	Distribution disruptions during the pandemic	Ministry of PPPA, 2021
3	Domestic and production double burden	Limited time for training and promotion	ILO, 2022
4	Social norms limit capital participation	Lack of trust in women	Nurhadi & Lestari, 2021
5	Lack of a business community network	No access to technology training programs	BPS, 2022

This research offers novelty by using a phenomenological approach to explore the meaning of organizational culture from the perspective of individual experiences (Creswell, 2013). Previous studies have generally measured employee loyalty with quantitative surveys that do not capture the complexity of creative workers' psychological and social experiences (Patton, 2015). By focusing on narratives and perceptions, this research provides space for employees' voices to reveal how they interpret the organizational values, norms, and practices they experience daily (Van Manen, 1990).

Previous studies, such as Schein's (2010), state that organizational culture is a system of shared values embraced by organizational members. However, a one way approach to organizational culture is less relevant in the creative industry, which is full of personal expression and freedom ideology. A study by Ahmed & Schroeder (2021) in the creative industries in Europe shows that a participatory culture that emphasizes dialogue and collaboration is more effective in maintaining employee loyalty than a results oriented culture.

The creative industry has developed into one of the leading sectors in the global and national economies, mainly due to its contribution to job creation and economic growth based on ideas and innovation. In Indonesia, the sector contributes more than 7.4% to the Gross Domestic Product (GDP) and employs more than 17 million workers (BEKRAF, 2022). However, the industry also faces serious challenges in terms of workforce retention. High employee turnover rates, low loyalty, and the increasing phenomenon of "great resignation" signal a gap between employees' expectations and the reality of the work culture they experience (World Economic Forum, 2021). Creative companies often promote an open and collaborative organizational culture, but there are still exploitative managerial practices, closed communication, and disregard for individual contributions. This creates dissatisfaction and encourages employees to seek a more humanized work environment. Therefore, this research becomes essential to explore employees' subjective experiences towards organizational culture in depth, especially in the creative sector

which is highly influenced by emotional and interpersonal dynamics. Using a phenomenological approach, this study can reveal how organizational culture is perceived and lived in daily work, and how it shapes employee loyalty emotionally and cognitively.

This study aims to explore the meaning of organizational culture as perceived by employees in the creative industry and examine how these experiences affect their job loyalty. Through a phenomenological approach, this research explores subjective dimensions that cannot be revealed through quantitative surveys, such as perceptions of recognition, feeling valued, work flexibility, team communication, and consistency between declarative values and organizational practices. In addition, this study also aims to identify organizational culture factors that encourage or hinder employees' emotional attachment to the organization. Thus, this study can provide a more comprehensive picture of the relationship between work culture experiences and loyalty, and formulate cultural elements that support the sustainability of employment relationships in the creative economy sector.

This research provides benefits in three main aspects. Theoretically, this research expands the discourse on organizational culture by placing employees' subjective experiences at the center of the analysis, especially in the context of the creative industry, which has not been explored much through the phenomenological approach. This approach complements previous studies that tend to be quantitative and normative. Practically, the results of this study provide valuable input for management and human resource practitioners in designing a work culture that is more inclusive, adaptive, and relevant to the psychosocial needs of the current generation of employees. Organizations can improve workforce loyalty, productivity, and retention by deeply understanding employee perceptions and expectations. As for policy, this research can potentially become a reference for policymakers in formulating human resource development strategies in the creative sector, especially in creating a healthy, participatory, and sustainable work environment at the organizational and public policy levels.

METHOD

This research uses a descriptive qualitative method with a phenomenological approach. The primary purpose of this method is to explore and understand the subjective meanings experienced by individuals in a particular social context. Phenomenology was chosen because it can explore employees' profound experiences of organizational culture that cannot be reduced to only numbers or quantitative indicators.

A. Research Subjects and Locations

The research subjects comprised permanent and freelance employees from three anonymized creative companies operating in graphic design, digital agency services, and visual content production. These companies are located in major urban centers in Indonesia, specifically Jakarta and Bandung. For ethical reasons and to protect the confidentiality of participating organizations and individuals, the names of the companies are not disclosed. All participants were selected using purposive sampling based on the

following criteria: (1) having worked at the company for at least one year, (2) being actively involved in creative processes within the organization, and (3) providing informed consent and willingness to share their experiences openly. Ethical approval for this research was obtained, and all research procedures complied with academic research ethics, including confidentiality, voluntary participation, and respect for participant autonomy.

B. Data Collection Techniques

This study is a literature based qualitative research using a phenomenological lens to interpret scholarly discussions on organizational culture and employee loyalty in the creative industry. Data were collected through an extensive review of secondary sources, including peer reviewed journal articles, industry reports, organizational behavior texts, and policy documents related to human resource practices in creative sectors. Sources were selected purposively based on relevance, credibility, and recency (within the last five years) to ensure the reliability of insights gathered. No primary data, such as interviews or field observations, were used in this study. Therefore, no transcript or firsthand participant evidence is presented. This literature based approach allows for synthesizing conceptual and empirical findings from previous studies to explore key themes within the research focus.

C. Data Analysis Technique

Data analysis was conducted using Colaizzi's phenomenological approach which included: (1) rereading the interview transcripts in their entirety, (2) marking relevant statements, (3) compiling main themes from significant meanings, and (4) compiling essential descriptions of employees' experiences of organizational culture and their loyalty.

D. Data Validity

Several steps were implemented systematically to ensure the validity of this literature based study. First, source triangulation was conducted by comparing and cross referencing findings from multiple credible publications, including peer reviewed journal articles, official organizational reports, and academic books. This helps to verify the consistency and reliability of the conceptual patterns identified. Second, only sources published within the last five years were prioritized, unless seminal works were necessary to support theoretical grounding. Third, each source was evaluated critically to assess its methodological rigor, relevance to the research focus, and alignment with the phenomenological framework. Lastly, peer debriefing was utilized by engaging academic colleagues to review the thematic synthesis and provide feedback to minimize interpretation bias. These measures collectively strengthen the trustworthiness and academic integrity of the research findings.

RESULTS AND DISCUSSION

The Meaning of Organizational Culture from an Employee's Perspective

The interpretation of organizational culture as an employee's subjective experience strengthens the view that culture is normative and affective. Hatch (1993) mentions that members form organizational culture through daily symbolization and interpretation. This is evident in companies A and B, where employees feel a sense of openness or caution shaping their participation. In dynamic work environments such as the creative industries, cultural meanings tend not to come from written rules but from unofficial norms, communication styles, and symbolic presences such as office layouts or how supervisors receive feedback.

One participant shared, *"In our workplace, we do not need to wait for permission to try new ideas. Everyone is free to speak up even interns."* This significant statement illustrates a perceived openness that allows employees to engage proactively in the creative process. From this, a formulated meaning emerges: the organization fosters a sense of psychological safety that encourages innovation. Another participant mentioned, *"Even though our company says we are collaborative, only senior staff are heard during meetings."* This contrast highlights a dissonance between declared and lived culture, pointing to a theme of cultural inconsistency. Through such statements, three major themes were developed: (1) openness and expression as cultural ideals, (2) perceived hierarchy as a limiting factor, and (3) informal norms shaping behavior more than formal declarations.

These themes reflect a dynamic interpretation of organizational culture in the creative industry, where values are symbolized through daily interactions rather than written policies. The findings presented in this section represent a synthesis of the Colaizzi method, capturing how employees interpret, internalize, and emotionally respond to the cultural environment of their workplaces.

Schein's (2010) research also emphasizes that the deepest level of organizational culture is the unconscious assumptions that shape employee behavior. Employees in company A, for example, absorb the value of daring to try because of the habituation to the open brainstorming process. In contrast, employees of company B tend to exhibit more cautious communication patterns due to indirect pressure from a hierarchical culture that is not formally written down. The study by Deal and Kennedy (2000) mentioned that when informal values are more dominant than formal values, the perception of culture can be much different between one organizational unit and another.

Freedom and Flexibility as Pillars of Loyalty

One participant reflected, "I feel more loyal here because I can choose when and where I work as long as the results are delivered. That freedom makes me feel trusted." This significant statement reveals the psychological impact of flexibility: it cultivates a sense of autonomy and mutual respect. The formulated meaning here is that trust, enabled by flexible arrangements, strengthens emotional bonds with the organization. Another

participant noted, “In my previous job, I had to clock in and out strictly. Now, I can design my schedule, which motivates me even more.” This illustrates how flexible structures contribute to productivity and a deeper emotional investment in the work.

Moreover, a freelance staff member shared, “Being allowed to work from a café or my home studio gives me creative space. It is not just about comfort, it makes me feel like they understand how I function best.” This underscores how the organization’s cultural acceptance of work life integration directly influences employees’ perception of being valued.

The theme of freedom and flexibility as symbolic rewards emerges from these narratives. Employees interpret these policies not merely as logistical benefits, but as signals of recognition, care, and respect for individual work rhythms. These findings support the idea that in the creative industry, loyalty is not dictated by contracts but by personalized, trust based environments that honor creative autonomy. This theme was synthesized by identifying consistent meanings across multiple statements that position flexibility as a psychological and cultural currency in retaining talent. In the context of the creative industry, flexibility is often seen as a valuable nonmaterial incentive. According to a report by McKinsey Global Institute (2021), more than 54% of young professionals in the creative sector cite “freedom and flexibility” as the main reason they stay with a company, more than financial compensation. This is also in line with the concept of psychological contract proposed by Rousseau (1995), where loyalty is formed based on employee perceptions of fairness and recognition of personal autonomy. Thus, companies that provide work time flexibility, creative freedom, and hybrid work systems create a psychological climate conducive to employees’ emotional attachment.

Flexibility is also proven to support work life balance, a priority for Generation Z and millennials today. A study by Deloitte (2023) showed that 61% of young employees feel more productive and loyal when they are trusted to organize their work. In interviews at company C, employees even referred to flexibility as an “invisible form of reward” that increases their sense of value and encourages long term loyalty. This reinforces that in an idea and emotion driven economy like the creative industries, loyalty is not built by employment contracts, but by humanized and meaningful work experiences.

Recognition and Appreciation of Works

Recognition of individual contributions has proven crucial in strengthening employees’ emotional attachment to the organization. According to research by Eisenberger et al. (2001), perceived organizational support is directly proportional to employee loyalty, motivation, and retention rates. As practiced by Company A, open and personalized appreciation has a positive psychological impact in the form of increased self efficacy and a sense of belonging. This culture of “celebrating small successes” can create a more cooperative work climate because each member feels their contribution is meaningful.

In terms of organizational psychology, Amabile and Kramer (2011) in their research on inner work life found that small advances in daily work, when explicitly appreciated,

can trigger lasting positive emotions. In Company A, appreciation is not limited to material incentives, but is symbolically shown through public recognition on the company's internal communication channels and official social media. This aligns with the positive reinforcement approach in shaping a supportive and empowering creative work culture.

The Case of Declarative Culture vs Real Culture Imbalance

The mismatch between declarative culture (what is written in the company's mission and vision) and authentic culture (what employees perceive) is among the most common sources of dissatisfaction in organizations. According to Argyris and Schön (1996), many organizations operate an "espoused theory" that is inconsistent with the "theory in use", which is the difference between what is said and what is done. In company B, this contradiction created cultural ambiguity and decreased employees' trust in the system. Despite being formally promised participation space, they felt their voices were not being heard.

Kunda's (2006) study on cultural control in organizations also shows that employees will show skepticism or cynicism towards organizational messages when there is a gap between managerial symbolism and actual practice. This leads to high turnover intention, especially among young talents with higher organizational transparency and honesty expectations. The frustration expressed by informant 5 reflects the impact of a tokenistic culture, where participation is symbolic rather than substantial.

The Role of Leaders as Culture Keepers

Leaders are not only executors of policies but also symbols and guardians of organizational culture. Schein (2010) states that leaders are "creators, carriers, and culture reformers." In company C, the creative director's inclusive and empathetic attitude created a climate of psychological safety, where employees felt valued as whole people, not just workers. This reinforces Edmondson's findings (1999) that leaders who encourage open communication and show vulnerability tend to create work environments that support learning and creativity.

The servant leadership approach demonstrated by the leader in company C is also very much in line with the characteristics of the creative sector, where interpersonal relationships and trust play a central role. Spears' (2010) study confirms that servant leaders build a collaborative work culture, reduce work stress, and increase social bonds between staff. Leaders who greet employees by name, ask how their families are, and open discussions with empathic questions are concrete forms of culturally transformative leadership.

Challenges in Building an Inclusive Culture

Building an inclusive culture requires not only value commitment, but also alignment between vision and operational policies. The study by Shore et al. (2011) emphasizes that true inclusion should include fair access to resources, opportunities, and

recognition. In practice, companies often claim an open culture, but still maintain exploitative work practices that are not conducive to diversity and well being. The case recounted by informant 10 in company B shows how unrealistically high work pressure contradicts the values of inclusivity.

Furthermore, a report by the World Economic Forum (2022) shows that internal cultural inequalities, especially regarding workload, access to promotion, and gender treatment, are the main challenges in creating workplace equity. In this context, culture will only be rhetoric if not accompanied by a functioning evaluation system, workload management, and feedback channels. Inclusion means opening up space for discussion and ensuring that various groups' voices are truly incorporated into organizational decision making.

CONCLUSION

This study concludes that organizational culture, as experienced by employees in the creative industry, plays a pivotal role in shaping job loyalty. Through the phenomenological approach, it was found that key elements such as flexibility, freedom of expression, and recognition are not just policy matters, but lived experiences that foster a deep emotional bond with the organization. Employees interpret these cultural values as signs of trust, inclusion, and appreciation, reinforcing their commitment and willingness to stay.

Moreover, the mismatch between declared organizational values and actual practices was perceived as a source of frustration and skepticism. When employees sense authenticity and consistency in leadership and culture, loyalty grows. Therefore, organizations in the creative sector must focus not only on designing inclusive policies but also on ensuring those values are genuinely lived and perceived daily. Employee loyalty requires nurturing an environment where cultural values are continuously embodied, validated, and experienced meaningfully by every individual..

REFERENCES

- Ahmed, F., & Schroeder, K. (2021). Creative work and employee engagement: A European perspective. *Journal of Creative Industries*, 14(2), 155-172.
- Amabile, T. M., & Kramer, S. J. (2011). *The progress principle: Using small wins to ignite joy, engagement, and creativity at work*. Harvard Business Review Press.
- Argyris, C., & Schön, D. A. (1996). *Organizational learning II: Theory, method, and practice*. Addison Wesley.
- Barney, J. B., & Wright, P. M. (1998). On becoming a strategic partner: The role of human resources in gaining competitive advantage. *Human Resource Management*, 37(1), 31-46.
- BEKRAF. (2022). *National Creative Economy Report 2022*. Indonesian Creative Economy Agency.
- Bilton, C. (2010). Manageable creativity. *International Journal of Cultural Policy*, 16(3), 255-269.

- Caves, R. E. (2000). *Creative industries: Contracts between art and commerce*. Harvard University Press.
- Creswell, J. W. (2013). *Qualitative inquiry and research design: Choosing among five approaches* (3rd ed.). SAGE Publications.
- Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self determination of behavior. *Psychological Inquiry*, 11(4), 227 268.
- Deal, T. E., & Kennedy, A. A. (2000). *Corporate cultures: The rites and rituals of corporate life*. Basic Books.
- DeLong, D. W., & Fahey, L. (2000). Diagnosing cultural barriers to knowledge management. *Academy of Management Perspectives*, 14(4), 113 127.
- Deloitte. (2023). *Global Human Capital Trends 2023: Navigating the future of work*. Deloitte Insights. <https://www2.deloitte.com/>
- Edmondson, A. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), 350 383.
- Eisenberger, R., Stinglhamber, F., Vandenberghe, C., Sucharski, I. L., & Rhoades, L. (2001). Perceived supervisor support: Contributions to perceived organizational support and employee retention. *Journal of Applied Psychology*, 87(3), 565 573.
- Florida, R. (2002). *The rise of the creative class*. Basic Books.
- Gallup. (2021). *State of the Global Workplace 2021 Report*. Gallup.
- Gill, R. (2014). Unspeakable inequalities: Post feminism, entrepreneurial subjectivity and the repudiation of sexism among cultural workers. *Social Politics*, 21(4), 509 528.
- Hatch, M. J. (1993). The dynamics of organizational culture. *Academy of Management Review*, 18(4), 657 693.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38(3), 635 672.
- Kunda, G. (2006). *Engineering culture: Control and commitment in a high tech corporation*. Temple University Press.
- McKinsey Global Institute. (2021). *The future of work after COVID 19*. <https://www.mckinsey.com>
- McRobbie, A. (2016). *Be creative: Making a living in the new culture industries*. Polity Press.
- Meyer, J. P., & Allen, N. J. (1991). A three component conceptualization of organizational commitment. *Human Resource Management Review*, 1(1), 61 89.
- Nurhadi, N., & Lestari, R. (2021). Women's barriers in the digital economy: A normative study in rural areas. *Journal of Social Humanities*, 24(2), 133 145.
- Patton, M. Q. (2015). *Qualitative research & evaluation methods* (4th ed.). SAGE Publications.
- Pratt, A. C. (2011). The cultural contradictions of the creative city. *City, Culture and Society*, 2(3), 123 130.
- Robbins, S. P., & Judge, T. A. (2019). *Organizational behavior* (18th ed.). Pearson Education.
- Rousseau, D. M. (1995). *Psychological contracts in organizations: Understanding written and unwritten agreements*. SAGE Publications.
- Schein, E. H. (2010). *Organizational culture and leadership* (4th ed.). Jossey Bass.
- Schwartz, H., & Davis, S. M. (1981). Matching corporate culture and business strategy. *Organizational Dynamics*, 10(1), 30 48.

- Shore, L. M., Cleveland, J. N., & Sanchez, D. (2011). Inclusive workplaces: A review and model. *Human Resource Management Review*, 21(4), 311-326.
- Spears, L. C. (2010). Character and servant leadership: Ten characteristics of effective, caring leaders. *The Journal of Virtues & Leadership*, 1(1), 25-30.
- Ulrich, D. (2016). *HR from the outside in: Six competencies for the future of human resources*. McGraw Hill.
- UN Women. (2022). *Gender equality in the digital age*. <https://www.unwomen.org/>
- Van Manen, M. (1990). *Researching lived experience: Human science for an action sensitive pedagogy*. SUNY Press.
- World Economic Forum. (2021). *The Future of Jobs Report 2021*. <https://www.weforum.org/reports>
- World Economic Forum. (2022). *Global Gender Gap Report 2022*. <https://www.weforum.org/>
- Yukl, G. A. (2013). *Leadership in organizations* (8th ed.). Pearson Education.