

## **Impact of organisational Culture on employees' job satisfaction based on Monetary and performance factors in IT industry in India : Report from companies in Technopark, Trivandrum**

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**Abstract:** This study examined the impact of organizational culture on job satisfaction in Indian IT industry. This study used undertakes the application of Denison's model for exploring the organisational culture and Spector JSS survey to examine employees' job satisfaction. A self administered questionnaire-interview based research employed the convenience and purposive sampling techniques to select a sample of 320 employees out of which 300 responded to and returned the research questionnaire. Pearson's Correlation coefficient of (0.781) on the data gathered, showed a strong and positive relationship between organizational culture and job satisfaction. For data analysis MS Excel package of statistical tools was used for the purpose of labelling, coding, and percentages. Based on this study, it was concluded that; organizational culture impacts job satisfaction positively with monetary benefits having the most impact on satisfaction. Besides, it was affirmed that there exist a positive correlation between employee creativity and job performance. Employees are considered as the most important asset, because they play key role in current operational performance and future competitive situation. An effective organizational culture can be recognized as a factor that always seems to be associated with successful companies. There is a considerable increase in the business and organizations in IT sector in India during last couple of decades. Organisations should aware about their culture, in order to survive successfully in competitive business environment. Organisational culture values varied drastically among the firms. The variation in cultural values had a significant impact on job satisfaction. The independent variable is organizational culture and the dependent variable is Job performance.

**Keywords:** Organisational Culture; Job satisfaction, organisation and Employee Performance

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### **I. Introduction**

Organizational culture is considered as the behaviour of the organization and it is the aspect of the shapes the way the organization functions. It comprises the attitude, experience, belief, and values of the organization, acquired through social learning, that control the way individuals and groups in the organization interact with one another and with society outside it. Furthermore, culture enlighten attention on the human sides of the organizational life emphasizing on the importance of creating appropriate systems to enable employees to work together in achieving a common goal.

Cohesive business cultures are thought to underpin higher productivity, improve employee morale, affect work attitudes, improve job satisfaction and encourage stronger employee commitment. Thus organizational culture constraints and direct management behavior which affects job satisfaction through decision making, problem solving and strategy formulation. Also organizational culture is frequently said to be responsible for all manner of organizational ills and, on occasions, credited with creating positive qualities. A better understanding of the culture would allow people in organizations to solve problems and improve job satisfaction.

Job satisfaction is the evaluation of job responsibilities assigned to employees and as the result of the satisfaction, the employees develops positive or negative attitude towards the rules, beliefs and values of the organization which have an impact on the working conditions.

The satisfied employee performance would be considered as backbone of the organization as it leads to its development effectively. The value and norms of employees basis upon the management identification, that help in improving job satisfaction. The awareness of work quality helps in improving organizational culture and employee performance.

## **II. Problem Statement**

The main objective of this study is to find the impact of organizational culture on job satisfaction. Job satisfaction is most important component to the effective job performance and thereby organisational performance. Organisations always expect high employee performance from its employees, in order to achieve organizational goals. Low employee performance will be a cause for poor organizational performance and inefficiency in the organization.

There are very few studies on investigating the impact of organizational culture on job satisfaction especially IT sector in India, so the researcher's aim to fill the research gap. Therefore, the problem addressed in this study to investigate the extent of impact of organizational culture on job performance. Therefore, the researcher's intend to conduct this research, in IT sector in India. Accordingly, the research question for this study would be, Is there any impact of organizational culture on job performance ?

## **III. Research Objectives**

According to this study, researcher has divided the objectives into two categories, which helped to identify the main objective and sub objectives of this study. This research study was aimed to fulfill following research objectives.

### **3.1 PRIMARY OBJECTIVE**

To measure impact of organizational culture on job satisfaction in IT sector in India

### **3.2 SECONDARY OBJECTIVES**

- To find out new suggestions, recommendations and ideas to change the culture and improving job satisfaction.
- To absorb dynamic knowledge about the organizational culture.

## **IV. Literature Review**

Organizational culture has been accepted as one of the essential factors that affect the efficiency and productivity of an organisation (Alas, Kraus and Niglas 2009). Scholz (1987) emphasized that now a days no organization will go on with its mission and last in the world of competition without maintaining a strong organisational culture. As strategy defines where a company wants to go, culture determines how it get there. (Case 1996) Thus Culture becomes the determinant of job satisfaction.

According to Ndwiga (2012) organizational culture can be termed as the foundation of a house. Foundation is gives identity to the organization (Cheung, Wong and Wu 2011). Some have described organizational culture as a —shared mental model or the social attachment that holds an organization together. (Toarmina, 2009) Ndwiga (2012) unfortunately, many organizations reported to spend a lot of money on hardware rather than investing in creating a high-performance culture, which is basically the software that drives the business.

According to McNeal (2010) an organizational culture can be measured in the values, beliefs, and expectations that leaders preach and practice; in employee's attitudes and behavior; in ethical guidelines, in operating policies and in the stories people repeat about past events in the organizations.

Armstrong and Baron (1998), describes that sustainability and success of an organization can only be attained by job satisfaction of the people who work in them and by developing the capabilities of teams and individual contributors. It supports the rationale that people provide organizations with a competitive advantage and not capital (Reynolds and Ablett, 1998). The competitive capacity of organization can be increased by building committed people and effectively managing and developing people, which is in essence performance management. (Cabrera and Banache, 1999) DeWitt (2010) is of the same school of thought when he says that improving employee performance begins by handholding and supporting the employees to grow personally and professionally.

A culture of an organization can facilitate for job satisfaction and high organizational performance. It is the organizational culture that helps to influence the behavior of the employees towards job satisfaction. Martins and Terblanche, (2003) concur said that organizational culture can be used to persuade employee behaviour by using reasonable managerial tools, such as strategic direction, goals, tasks, technology, structure, communication, decision-making, cooperation and interpersonal relationships, and so forth, which are all designed to do things. As an explanation, if an organization has a well formulated strategic plan, which in this case is meant to guide the organization towards achieving its goals, the employees will be expected to inculcate an atmosphere of job satisfaction; the structure of the organization will have to be one that encourages job satisfaction, the same will apply to the level of decision-making as well as interpersonal relationship in the organization.

There are three important functions of culture in an organization which help to contribute to job satisfaction. Among them are visible cultural symbols like the size of one's office, pictures of employees placed at the entryways. The pictures make employees feel recognized as part of those who make the organization thrive, hence they put more effort in their duties. Artifacts, that is, tangible evidence of organizational culture

like computers, employee handbook, a company logo, corporate wares make employees identify with the organization; they feel proud to be associated with the organization, hence a tendency to perform their duties well. Patterns of behavior like how and where employees interact, how they behave in formal and informal meetings, also increase job satisfaction.

Organizations known for strong culture sustain it, as each successive generation of leaders and followers embraces and passes it on to the next, through mechanisms such as stories, artifacts, rituals, slogans, symbols and special ceremonies, as cited above. These mechanisms reproduce as well as reinforce the accepted culture (Dacin, Munir and Tracey 2010). According to Wines and Hamilton (2009), strong cultures make up the cultural DNA that gives organizations and individuals their identities. An example of this would be Sam Walton's conception of Wal-Mart's culture from its early years. The essence of Wal-Mart's culture is a commitment to customer satisfaction, zealous pursuit of low costs, and strong work ethic.

According to Case (1996), powerful cultures have powerful effects on how a company's people work together. A successful corporate culture, however, adds Case (1996), is not some kind of black magic; it derives its power not just from abstractions, but from specific practices that employees understand as symbolizing and representing the culture. A strong organizational culture pays off as it relates to the specific competitive demands of today's marketplace, hence enable companies to outstrip their competitors. To relate this employee job satisfaction here, we can give an example of a graphic design studio, which usually has its employees working under very high pressure and tight deadlines. If an organization like this insists on teamwork and meeting deadlines with clients, employees will create a culture of going out of their way to satisfy the clients, hence satisfaction of delivery of job responsibilities will be more.

Ojo (2009) says that strong corporate culture potentially increases a company's success— note that a company's success depends on employee satisfaction. First, it serves as a tool of management control. Organizational culture, he says, is a deeply embedded form of social control that influences employee decision and behavior. It influences how workers relate with each other and how decisions are made in the organization (Ojo 2009). Providing a powerful mechanism for controlling behavior, organizational culture also manipulates how employees attach meaning to their world and how they interpret events.

Secondly, organizational culture acts as the social glue that bonds people together and gives them feel of part of the organizational experience (Ojo, 2009). Employees are encouraged to internalize the organization's dominant culture because this helps fulfill their need for social identity, hence job satisfaction. This social glue, says Ojo (2009), is increasingly important as a way of attracting new staff and retaining satisfied top performers.

Thirdly, organizational culture assists in understanding root cause of the process. It helps employees sense what goes on and why things happen in the organization. This makes it easier for them to understand what is expected from them and to interact with other employees who know the culture and believe in it. (Ojo, 2009) In contrast, emphasizes Ojo (2009), companies have weak culture when the dominant values are short-lived and held mainly by a few people at the top of the organization. Gordon (2008) asserts that in any type of organization, a poor culture can lead to staff disengagement and customer dissatisfaction—two criteria that significantly affect the profitability of an organization.

Each and every employee dream about a better job in which they are properly motivated, gets respect, satisfied and also well paid in terms of salary (Malik e al, 2010). Job satisfaction give positive emotional support which leads to the improved job performance as well (Locke 1976).

To research about job satisfaction, in this paper the researcher used Job Satisfaction Survey (JSS) developed by Paul E. Spector (1985) is a nine- factor scale to measure the attitude of the employees about the aspects of job (Liu *et al.*, 2004). These includes:

- a. Pay: The amount of the remuneration in terms monetary form by the employees.
- b. Promotion opportunities: The opportunities for progression in organisational hierarchy.
- c. Supervision: The capabilities of the supervisor to deliver technical assistance and support.
- d. Fringe benefits: This includes both monetary and non-monetary benefits.
- e. Operating procedures: The policies and procedures related to the organisation.
- f. Contingent rewards: This one covers the recognition, appreciation and rewards for the better work.
- g. Co-workers: The extent to which the fellow colleagues are efficient and supportive.
- h. Nature of work: The limit to which job gives the employees with interesting tasks, learning opportunities and chance to accept responsibility.
- i. Communication: Process of communication within the organisation.

In short, we have seen that culture is what gives shape to an organization, and it is manifested in various areas in the organization from employees, to leaders, to the policies within an organization. Powerful cultures have powerful effects on how a company's people work together. Culture, therefore, is the determinant of organizational performance. A culture of an organization can encourage high performance or low performance.

That is why if the culture of an organization is weak, the rollout of the organization's strategy will be adversely affected. It is apparent that a strong culture can be attained and sustained by improving the performance of the employees. This can be through developing the employees' capabilities in teams and appreciating individual performance. How employees communicate among themselves and how they behave in formal and informal meetings encourages high performance. (OMONDI, 2014)

## **V. Conceptual Framework**

Independent variable and dependent variables are used by the researcher in order to develop conceptual framework. This conceptual framework is logically developed, designed and elaborated. According to the primary objective of this study, to identify the impact of organizational culture on job satisfaction in IT sector. Organizational culture is selected as independent variable and employee performance as dependent variable.

This research has done in the natural environment where work proceeds normally. Unit of analysis for this study was individual; because data was gathered from each individual, employees of selected IT Company in Capital City of Kerala, India. The total number of IT professional workers in the selected organizations was 500+ . Due to the resource and time constraint, 320 Software engineers level employees were selected as the sample size. Simple random sampling techniques was adopted for data collection.

Data collection was done using the primary and secondary data in the selected company to achieve research objectives. This study was completed with the help of self administered questionnaires. Five point likert scale used to weight from strongly disagree to strongly agree. The questionnaire was distributed to 320 employees and the 300 questionnaires were returned. The response rate was 94%. The collected data from the employees were analyzed by using statistical tools of microsoft excel .

The frequency distribution analysis was made for the variables individually and descriptive statistics for organizational culture gave the mean value as 3.32. That means the average answer given by the respondents is "agree". So, the researcher interprets the organization culture in the selected organization is weak.

Descriptive Statistics for Employee Performance indicates the frequency distribution for the variable Job satisfaction. The mean value of the distribution is 2.42 and the standard deviation is 0.77. Having obtained a mean score of 2.42, individuals in the study report to being unsatisfied.

Correlation between Organisational Culture and job satisfaction with a significance at the 0.05 level, the correlation coefficient is 0.780 (1-tailed test). Thus, there is statistical evidence to claim that organizational culture positively related to job satisfaction.

## **VI. Conclusion And Recommendation**

The participants were asked about the innovative ways of doing things , commitment, and job satisfaction. Noticeably , report showed that innovation and quality of work life improves their commitment and job satisfaction. As the selected organization is having a weak organizational culture (according to the findings), researcher recommend the organization to enhance their existing culture to a strong one. Strong organizational culture always nurtures job satisfaction among employees at all levels., so it is extremely important to understand the difference in organizational culture from one division to another and how those differences play out when they interact with each other.

In this paper, the researcher looked at the impact of Organizational culture on job satisfaction with evidence from Indian IT industry. Questionnaires were framed to respondents were randomly selected from selected IT Company to find out their views on corporate culture has an impact on job satisfaction. What we reduced from this paper and corporate culture is vital in every organization and that it has positive impact on job satisfaction. The culture of the corporate will affect the level of organizational productivity in a positive way. This paper reveals that there is a considerable impact of organisational culture on job satisfaction.

Based on study report , researcher has given following recommendations;

To cultivate job satisfaction in employees, organization must have a balance between Top-down and Bottom-up management. They need to learn how to link the purpose and goals of the organization to the shared sense of responsibility, ownership and commitment of the employees.

The organisations shall introduce adequate measures to bring consistency in distribution of monetary benefits of employees on time bound manner .Moreover, it is also suggested that the organisations should have more adaptability in attaining the organisational mission and goals. There should be adequate training sessions for employees to have clear career growth opportunity as this will increase their organisational commitment and job satisfaction.

## VII. Limitations of The Study

This research study had been conducted within few employees in IT Company in Capital City of Kerala, India. This study is a cross-sectional therefore the events are studied only once thus there is no evidence of variation in different time intervals. The future researchers can expand the sample to study about the impact of organizational culture on different employee performance, to get a broader idea about the impact and/or relationship as well as to protect the generality of the findings.

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