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IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEE COMMITMENT

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Abstract:-This paper examines the influence of organizational culture on enhancing employee commitment. Empirical results of this study indicate a positive association between various aspects of organizational culture such as openness in decision-making, promoting professionalism, organizational goal integration, promoting fun at work, innovation & employees' participation in decision-making process, transparent communication, fair HR practices, effective conflict management mechanism, customer focus, leadership styles, etc. and enhanced employee commitment. It is also observed that appropriate organizational culture induces affective commitment among managers, support staff and workers while the supervisors show higher degree of normative commitment.

Keywords: organizational culture, employee commitment, leadership.

INTRODUCTION:-

Organizational culture across the globe has been evolving over a time in sync with fast changing technological, social, economic and business environment. In fact, social, cultural, political, technological and global forces challenge organizations to redefine their strategies (Werner, 2007). A number of positive dimensions of organizational culture such as openness in decision-making, promoting professionalism, organizational goal integration, promoting fun at work, promoting innovation, promoting employees' participation in decision-making process, transparent communication, fair HR practices, effective conflict management mechanism, customer focus, leadership styles, etc. are forming core of workplace ethos at a time when competition is fierce in all sectors. Organizations carefully foster positive culture at the workplace in order to enhance employee commitment which in turn help not only in retaining start performers but also augment overall organizational effectiveness

Organizational culture is generally unique to the company. That means, while two companies might have similar culture, it may not be alike. As many employees spend over 40 hours at their workplace, their organization's culture affects both their work lives as well as their personal lives. Workplace culture is a very powerful force which is consciously and deliberately cultivated and passed on to employees in manner that they get integrated within the system. Organizational culture refers to the beliefs, ideologies, principles and values that the employees across all levels of share and hold them together. Quality of organizational culture determines competitiveness and success of the companies.

Observation of Peters and Waterman (1999) underlines the importance of corporate culture: 'Without exception, the dominance and coherence of culture proved to be an essential quality of the excellent companies. Moreover the stronger the culture, the more it was directed to the marketplace, the less need was there for policy manuals, organization charts, detailed procedures or rules. In these companies, people way down the line know what they are supposed to do in most situations because the handful of guiding values is crystal clear'.

It goes without saying that organizational culture is pervasive and powerful. For business, it is either a force for change or a definite barrier to it. For employees, it is either the glue that bonds people to an organization or what drives them away. Managers of contemporary organizations are increasingly challenged to make necessary adjustments in organizational culture in order to accommodate aspirations of young employees who are forward looking and appreciate progressive dimensions of workplace values such as transparency, openness and professionalism. Inducing commitment among young

employees largely rests on the organizational culture.

LITERATURE REVIEW

Organizational culture is an important topic which is researched and extensively used by sociologists, anthropologists and behavioural scientists at large. A single definition of organizational culture seems to be elusive as it is defined both in terms of its cause and effect. Earlier thinkers have defined organization culture with a focus on distinguishing the levels into strong and weak cultures. According to Herkovitz (1955), culture is the man-made part of environment. Several anthropologists have a different viewpoint of culture as derived in context of organization than for societies (Smircich 1983, Frost 1985, Louise 1985, Moore 1985). Sinha (1990) in his work on 'Social Values and Effective Organizations' indicates that the work culture implies work related activities and meanings attached to such activities in the framework of norms and values regarding work.

Organizational culture consists of values and assumptions shared within an organization (Schein, 1990). In general, organizational culture refers to a system of shared meaning held by members that distinguishes the organizational from other organizations. The research suggests that there are seven primary characteristics that capture the essence of an organizational culture (Robbins, et al., 1995). A degree of innovation and risk taking, attention to details, outcome orientation, people orientation, team orientation, aggressiveness and stability are suggested as seven characteristics of organizational culture.

Organizational culture reflects the values, belief and attitude of its members. Organizational culture evolves slowly over time. Unlike vision and mission statements, they are not usually written down, but are soul of an organization (Hellriegel and Slocum Jr, 2007). Organizational culture exists on several levels, which differ in terms of visibility and resistance to change. The relationship, contribution and impact of organizational culture is well established over performance. Study after study have clearly highlighted that a salutary organizational culture helps organizations to enhance its financial performance. These studies together illustrate how performance-oriented organizational culture is to be created (Champoux, 2000). Within accounting organizations with cultures emphasizing accuracy of work, predictability, and risk taking, poor performing employees quit at a higher rate than high performing employees.

Culture, at the workplace is a very powerful force, which is consciously and deliberately cultivated and is passed on to the incoming employees. Most theorists agree that organizational culture exists and that it has definite effects, but an explicit definition of its true nature eludes proper academic treatment. Some given definitions of organizational culture are: 'Learned ways of coping with experience' (Gregory, 1983); 'A pattern of basic assumptions invented, discovered and developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid and is therefore taught to new members as the correct way to perceive, think about, and feel in relation to those problems (Schein, 1990).

Ravasi and Schultz (2006) stated that organizational culture is a set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behaviour for various situations. Although a company may have its 'own unique culture', in larger organizations there are sometimes conflicting cultures that co-exist owing to the characteristics of different management teams. Organizational culture may affect employees' identification with an organization in case of presence of conflicting cultures at the workplace.

Broadly speaking, organizational culture is the behaviour of individuals within an organization and the meaning that people attach to those behaviours. Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits. It is also the pattern of such collective behaviours and assumptions that are taught to new organizational members as a way of perceiving, and even thinking and feeling. Organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders

Organizational culture influences a major job related attitude and that is employee commitment. The concept of employee commitment has grown in popularity in the literature on industrial and organizational psychology (Cohen, 2003). Early studies on employee commitment viewed the concept as a single dimension, based on an attitudinal perspective, embracing identification, involvement and loyalty. Extant literature on the theme indicates that commitment can be described from an attitudinal, behavioural and motivational perspective. Morrow (1993) describes employee commitment as characterized by attitude and behaviour. Miller (2003) describes attitude as 'evaluative statements or judgments – either favourable or unfavourable – concerning a phenomenon'. Employee commitment as an attitude reflects feelings such as attachment, identification and loyalty to the organization as an object of commitment (Morrow, 1993). Meyer also suggests that employee commitment is an attitude 'characterized by favourable positive cognitive and affective components about the organization'.

Best (1994) indicates that employee commitment as a behaviour is evident when 'committed individuals enact specific behaviours due to the belief that it is morally correct rather than personally beneficial'. Reichers (1985) is of the opinion that 'employee commitment as behaviour is visible when organizational members are committed to existing groups within the organization'. Therefore, employee commitment is a state of being in which organizational members are bound by their actions and beliefs that sustain their activities and their own involvement in the organization (Miller & Lee 2001).

In terms of the motivational perspective, O'Reilly (1989) states that employee commitment is the 'individual's psychological bond to the organization, including a sense of job involvement, loyalty and belief in the values of the organization'. Employee commitment from this point of view is characterised by employees' acceptance of organizational goals and their willingness to exert effort on behalf of the organization (Miller & Lee 2001). According to Werner (2007),

commitment as work-related attitude is closely related to performance and turnover of employees.

Ryan (2000) observes that an employee quits because the current employment proposition is unsatisfactory. Every employment proposition consists of some mixture of tangibles such as pay and benefits and intangibles such as relationships with colleagues, work-life balance, and trust in management. When the current position is not meeting employee’s needs and an opportunity to join another organization is available, the employee prefers to quit.

Meyer and Allen (1991) observe that employee commitment ‘is a psychological state that characterises the employee’s relationship with the organization, and has implications for the decision to continue membership in the organization’. This definition is relevant to the current study as it helps to determine organizational members’ feelings of attachment, identification and loyalty to the organization as an object. Meyer and Allen (1997) use the tri-dimensional model to conceptualize employee commitment in three dimensions, namely affective, continuance and normative commitment. These dimensions describe the different ways in which employee commitment develops and the implications for employees’ behaviour. Common to the three dimensions of employee commitment is the view that employee commitment is a psychological state that characterizes organizational members’ relationship with the organization and has implications for their decision to continue or discontinue membership in the organization (Meyer & Allen 1997)

Werner (2007) specifies that ‘an employee who is engaged with the organization is emotionally, cognitively and personally committed to the organization and its goals by exceeding the basic requirements and expectations of the job’. Miller (2003) also states that employee commitment is “a state in which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization. Organizational commitment is therefore the degree to which an employee is willing to maintain membership due to interest and association with the organization’s goals and values.

Table1: Mean of different factors of Organizational culture across the Employees of Different Job Profile

	Manager	Supervisor	Others	Worker
Job Profile in the organization				
Individual performance	4.2308	3.9091	4.0385	4.1250
Leadership	4.0000	4.4545	4.0769	4.2031
Customer focus	4.0769	4.3636	3.9615	4.0781
Organizational structure	3.8269	4.0682	3.9423	3.9922
Communication	3.6154	3.6364	3.5385	3.6719
Conflict management	4.0000	4.0000	3.4615	3.7656
Human Resource Management Practices	3.6923	3.9091	3.5000	3.6719
Promotion of Employee’s participation	3.4615	4.1818	3.7692	3.9063
Promoting innovation	3.7692	4.1818	3.3590	3.4844
Promotion of Fun Loving Culture at the work place	4.0513	4.1212	3.8590	3.9271
Organizational goal integration	3.5641	4.2121	3.8205	3.9688
Promoting Professionalism	3.4615	3.6364	3.6154	3.5417
Openness in decision-making	3.1538	3.5455	3.2308	3.3828
Chi square Test	5.520882	DF 36		

EMPLOYEE COMMITMENT

Meyer and Allen's (2007) three-component model of commitment was created in line with different psychological states comprising affective commitment, normative commitment and continuance commitment. The various construct related to these three different types of commitment were developed and employees were asked to rate the same on a Likert scale from 1 to 5 and mean was calculated using SPSS software. This Table below reveals a strong affective commitment of employee with mean 3.3158 with SD =.60023. It was followed by normative commitment with mean (3.0140) and SD .55413 and continuance commitment with mean (2.9316) and SD .79415.

Table2: Descriptive Statistics

	N	Mean	Std. Deviation
Affective commitment	114	3.3158	.60023
Continuance commitment	114	2.9316	.79415
Normative commitment	114	3.0140	.55413
Valid N (list wise)	114		

Table3: Mean of different factors of Organizational commitment across the Employees of Different level of organizational Experience

Period of Association with Present Organization	Affective commitment	Continuance commitment	Normative commitment
Less than 3 year	3.2733	2.9222	3.0689
3 to 5 years	3.6714	3.3714	2.6286
5 to 10 years	3.1333	2.4667	3.0667
10-15 years	3.0000	2.1000	2.9000
More than 15 years	3.6000	2.5000	3.2000
Total	3.3158	2.9316	3.0140

It was hypothesised that mean of different types commitment of employees does not differs significantly across the employees of different level of experience in the organization. To test the hypothesis one way ANOVA was carried out with the help of SPSS software to assess the significance of mean difference of all the commitment among different level of experience in the organization. It appears from this Table below that the calculated value of F of different types of organizational commitment is less than the table value (2.45) at (p< 0.05) level of significance in all the cases. Therefore null hypothesis (H0) is accepted indicating that there is no significant difference in the mean of different employee commitment with employees of different level of experience.

CONCLUSION

This study tried to explore an association between various dimensions of organizational culture such as openness in decision-making, promoting professionalism, organizational goal integration, promoting fun at work, promoting innovation, promoting employees' participation in decision-making process, transparent communication, fair HR practices, effective conflict management mechanism, customer focus, leadership styles, etc. and enhanced employee commitment.

Descriptive analysis was carried out to measure the different dimensions of organizational culture. It was found that majority of respondents in the sample are of the opinion that leadership in the organization are the important component of organizational culture as it scored highest mean of 4.1754. It was followed by promoting individual performance which scored 4.0965. Customer focus of employees received 4.0789. It is observed that managers, workers and support staff have a strong affective commitments compared to continuance and normative commitment.

One way ANOVA was carried out to assess the significance of mean difference of all the commitment types among different level of job profile and level of experience in the organization. The results indicate that there is no significant difference in the mean of different commitment with employees of different level of experience. However differences were measured across the job profile of the employees. Hence differentiated policies are needed to enhance the commitment level for the employees working under different capacities.

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