Impact of Organization Culture on Employee Job Satisfaction: A Case of Indian IT Sector

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ABSTRACT - The research attempts to study the three types of organizational culture of Indian IT sector and its effect on employee job satisfaction. Organizational Culture Index (OCI) developed by Wallach (1983) was used in the in the study while framing the questionnaire, which consists of bureaucratic culture, innovative, and supportive culture index. The main objective of the study is to ascertain the impact of organizational culture on employee job satisfaction in Indian IT Sector. Among 180 IT employees questionnaire was distributed, and only 119 valid responses received. The data were analyzed by using Correlation and Multiple Regression technique. To determine the impact of supportive organizational culture, innovative organizational culture and bureaucratic organizational culture on employee job satisfaction, regression analysis has been used. The findings of the study confirm that all type of culture have a positive and a high degree relationship with employee job satisfaction. Besides that, multiple regression analysis shows that innovative culture, supportive culture and bureaucratic culture helps in enhancing the job satisfaction among the IT employees.

Keywords - *innovative culture, bureaucratic culture, supportive culture, organizational culture, employee job satisfaction, factor analysis, correlation analysis and multiple regression analysis*

I. INTRODUCTION

Organizational culture covers values, beliefs and behaviors that contribute to the unique social and psychological environment of a business which guide the behavior of employee. It is a combination of values and beliefs, norms of behavior that are acceptable, policies, and expectations coming down from the top, formal and informal systems, through procedures, and networks. Organization culture influences the way people interact, the way employees resist certain changes, knowledge created, the way knowledge and information shared among the members of organization. Organizational culture is a created through combination of various factors such as history of business, strategy of business, product, market, technology, type of employees, style of management, and national culture. Culture includes the organization's vision, mission, values, policies, norms, systems, beliefs, language, assumptions, location, and habits.

Organizational culture is the glue that holds organization and their employees together. Culture is the linkage between technology adoption and organizational growth; it can be a critical success factor in organization growth, and play a crucial role in determining the success or failure of organization in long term.

The job satisfaction is the end state of an employee after performing a job. It is the employees needs and expectations that to be fulfilled and satisfied by the present job. The feeling of employee may be positive or negative, it depends on whether need of employee is satisfied or not. Job satisfaction is considered to be one of the most major factors in the work environment. It is considered as major contributor for the organizational success. Job satisfaction of an employee is affected by the many factors of the organization, researchers' feels that it is mainly affected by the organizational culture. The relationship between them will be helpful to the manager and organization for various practices and policies of an organization.

Organizations must pay attention to employees' job satisfaction levels, because higher job satisfaction results in high employees' performance which ultimately leads to higher organizational performance and growth. Organizational performance and employees' performance are two related terms, to achieve organizational goals. This paper attempted describes organizational culture and employee job satisfaction in the IT sector, and further to explore the impact of organizational culture on employee satisfaction.

Objectives of the study:

- To analyze the organizational culture in the IT Sector.
- To explore the impact of organizational culture on employee job satisfaction in IT sector.

Hypothesis of the study:

Organizational culture is the predictor of the employee job satisfaction in IT Sector.

II. REVIEW OF LITERATURE

In most of the organization around the globe, the organizational culture would consist of the values, beliefs, feelings, pattern and behavior that connect the employees to the organization and at the same time it decide that how the organizational culture different from other organizations cultures. The culture of organization is reflected in various forms in the external life of a society or an organization, as well as in the values and norms held by its employees.

Organization culture is defined as a system of shared values and beliefs which decides how employee behave, how things to be worked, how people interact, organization structures, and control systems to produce behavioral norms [1]. Wallach has identified organization culture is combination of three separate organizational cultures labeled as bureaucratic culture, innovative culture, and supportive culture and confirmed that every organization culture have the varying strengths of these cultures and but cultures cannot be classified precisely into three divisions. Bureaucratic culture is compartment wise and hierarchical. There is clear line of authority and responsibility in Bureaucratic

culture. In the innovative culture, work environment is creative, results-oriented; and challenging. A supportive culture environment believes on the teamwork and it is people-oriented, friendly, encouraging, and trusting [2]. Research examined the impact of organizational culture (bureaucratic culture, innovative and supportive) on job satisfaction and organizational commitment. It reveals that the employee's job satisfaction and organizational commitment is negatively affected by bureaucratic culture while positively affected by innovative and supportive culture [3]. In the research paper of impact of organization culture on job satisfaction of marketing professionals in USA, and the result shows that job satisfaction significantly varied from organization culture-to-culture, clan culture and adhocracy culture higher level of job satisfaction than hierarchy culture [4]. In the study that person-organization (P-O) fit linked to organizational culture and bureaucratic organizational culture resulted in the lowest levels of job satisfaction and organizational commitment. An innovative culture was next highest and a supportive culture had the highest level of employee job satisfaction and organizational commitment [5].

By taking age and gender into consideration examined the relationship between organizational culture and job satisfaction. Result suggested that some certain cultural traits like fairness, opportunities for personal growth, enthusiasm for the job and good reputation are the amplifier for employee's job satisfaction. Also result shows that employee gender and age manipulate the organizational values which affect their job satisfaction [6]. Gull and Azam confirm that employees who work under Clan and Adhocracy culture are more satisfied while those who work under Hierarchy and Market culture are not satisfied with their jobs [7]. In studying the relationship between organizational culture and employee satisfaction for Chinese family owned firms, it is possible to find a way to improve employee satisfaction by making cultural changes in the organization. In order to improve job satisfaction support clan and hierarchy culture and weaken adhocracy and market culture. [8]. Organization culture has values, beliefs, norms, and expectations as dimensions. There is direct impact of organizational cultural values on employee job satisfaction, while organizational beliefs, norms and expectations have no significant direct effect on job satisfaction. There is indirect impact of organizational values on satisfaction by using organizational commitment as a mediator while other cultural dimensions do not have significant indirect effect on satisfaction by using commitment as a mediator [9]. A framework for evaluating the interactions between ten dimensions of organizational culture and job satisfaction was analyzed. Ten dimensions of organization culture include control, risk orientation, organizational communication, participation, organizational identity, individual creativity, reward, conflict, management support and integration. Organizational identity and integration have positive significant impact on Job satisfaction. Organization identity is most important factor. [10]

III. RESEARCH METHODOLOGY

This research is of exploratory and descriptive research which attempts to gain ideas and describe about the culture and employee job satisfaction. Correlation analysis is used for examining statistical correlation to estimate how strong or weak relations between variables. Primary data collected by using self administrated questionnaire which was filled by managers, assistant manager, line managers'. To check the organizational culture, Wallach's Organizational culture Index (OCI) has been used which is freely available and reliabilities have been checked by many previous studies. 119 respondents filled the questionnaire and convenience sampling was used for selecting the respondents. The respondents are the managers, assistant managers and line managers of the IT sector in Pune.

IV. DATA ANALYSIS

Data analysis is done using SPSS 18 by different statistical techniques. Researcher used reliability, factor analysis, and Correlation and regression techniques.

Reliability of data has been tested by using Cronbach Reliability test. The questionnaire includes questions of employee job satisfaction and type of organization culture, total 16 questions were included. As value of Cronbach alpha is 0.975 which is greater than 0.9 indicates that data is excellently reliable.

Table1: Reliability Analysis

Variable	No. of Items	Cronbach Alpha
Supportive Culture	4	.898
Bureaucratic Culture	4	.935
Innovative Culture	3	.917
Job Satisfaction	5	.946
Overall	16	.975

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.954
Bartlett's Test of Sphericity	Approx. Chi-Square	2.143E3
	df	120
	Sig.	.000

The KMO Measure of Sampling Adequacy is a statistic that measure adequacy of sampling. A high value which is close to 1.0 generally indicates that a factor analysis is appropriate for the data. Bartlett's test of Sphericity p- value is less than 0.05 indicates that factor analysis is applicable and valid.

Table 3: Rotated Component Matrix

	Factor			
	Supportive Culture (SC)	Bureaucratic Culture (BC)	Innovative Culture (IC)	Employee Job Satisfaction (JS)
SC1	.410			
SC2	.652			
SC3	.669			
SC4	.679			
BC1		.655		
BC2		.545		
BC3		.489		
BC4		.508		
IC1			.561	
IC2			.647	
IC3			.603	
JS1				.537
JS2				.414
JS3				.729
JS4				.695
JS5				.762

The Rotated Component Matrix was used to classify items under the four factors. Coefficients with absolute value below 0.4 were suppressed to get a matrix with cleaner factor loadings. Total four factors extracted 79.52 per cent of the total variance, which is adequate.

Table4: Correlation (Supportive Culture and Job Satisfaction)

		AVERAGE SC	AVERAGE JS
AVERAGE SC	Pearson Correlation	1	.825**
	Sig. (2-tailed)		.000
	N	119	119
AVERAGE JS	Pearson Correlation	.825**	1
	Sig. (2-tailed)	.000	
	N	119	119

Table4: Correlation (Supportive Culture and Job Satisfaction)

		AVERAGE SC	AVERAGE JS
AVERAGE SC	Pearson Correlation	1	.825**
	Sig. (2-tailed)		.000
	N	119	119
AVERAGE JS	Pearson Correlation	.825**	1
	Sig. (2-tailed)	.000	
	N	119	119

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation coefficient between supportive culture and job satisfaction is 0.825. It indicates that there is high degree positive correlation between supportive culture and employee job satisfaction. As p - value = 0.000(<0.01), it indicates that there is significant correlation between supportive culture and job satisfaction.

Table 5: Correlation between bureaucratic culture and job satisfaction

		AVERAGE BC	AVERAGE JS
AVERAGE BC	Pearson Correlation	1	.856**
	Sig. (2-tailed)		.000
	N	119	119
AVERAGE JS	Pearson Correlation	.856**	1
	Sig. (2-tailed)	.000	
	N	119	119

**. Correlation is significant at the 0.01 level (2-tailed).

As Correlation coefficient between bureaucratic culture and job satisfaction is 0.856 and p- value =0.000 (<0.01), it point out that there is high positive significant correlation between bureaucratic culture and job satisfaction.

Table 6: Correlation between innovative culture and job satisfaction

		AVERAGE IC	AVERAGE JS
AVERAGE IC	Pearson Correlation	1	.850**
	Sig. (2-tailed)		.000
	N	119	119
AVERAGE JS	Pearson Correlation	.850**	1
	Sig. (2-tailed)	.000	
	N	119	119

**. Correlation is significant at the 0.01 level (2-tailed).

There is high positive correlation between innovative culture and employee job satisfaction as correlation coefficient between them is 0.850. As p - value = 0.000(<0.01) is significant, it proves that there is significant correlation between innovative culture and employee job satisfaction.

Regression

Table 7: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.890[a]	.792	.787	.33813

a. Predictors: (Constant), AVERAGEIC, AVERAGESC, AVERAGEBC

b. Dependent Variable: AVERAGE JS

R^2 = 0.792 and Value of adjusted R square = 0.787 in above table shows that Supportive Culture, Bureaucratic Culture, Innovative Culture can predict 79.2% of variation in employee Job Satisfaction. It means 79% variation of employee job satisfaction is explained by organization culture.

Table 8 ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.047	3	16.682	145.914	.000[a]
	Residual	13.148	115	.114		
	Total	63.195	118			

a. Predictors: (Constant), AVERAGE IC, AVERAGE SC, AVERAGE BC

b. Dependent Variable: AVERAGE JS

Table 9: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.238	.109		2.188	.031
	AVERAGE SC	.212	.084	.230	2.530	.013
	AVERAGE BC	.299	.099	.320	3.014	.003
	AVERAGE IC	.348	.079	.385	4.400	.000

a. Dependent Variable: AVERAGEJS

From above table, all B values are positive so each type of culture has positive influence on employee Job Satisfaction.

B value is used to form regression equation, which is:

Employee Job Satisfaction =

0.238+0.230 (Supportive Culture) + 0.320 (Bureaucratic Culture) + 0.385(Innovative Culture)

From the above table, as p values are less than 0.05 for Supportive Culture, Bureaucratic Culture, and Innovative Culture which shows each type of culture has significant effect on employee job satisfaction.

Hence, based on the findings, it has shown that; employee job satisfaction can be enhanced by supportive culture, bureaucratic culture and innovative culture at the workplace. Innovative culture is major contributor for employee job satisfaction. Thus, it can be concluded that the influence of organizational cultural background influences employee job satisfaction which vary from organization to organization, depending on the cultural background.

V. CONCLUSION

This paper attempts to describe the relationship between the aspects of organizational culture and employee job satisfaction of employees in an Indian IT sector. The empirical results demonstrate that supportive, bureaucratic and innovative organizational cultures can help to increase the employees' job satisfaction. Also it indicates that innovative culture is the best culture in enhancing the employee job satisfaction. Results show that the top management expands innovative culture in order to have a better improvement of employee job satisfaction.

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