

A STUDY ON THE IMPACT OF ORGANISATIONAL CULTURE ON EMPLOYEE COMMITMENT

V.Sridevi

Research Scholar ,
PhD in Commerce(Full Time),
Pachayappa's College, Chennai.

Dr.C.Vatchala

Associate Professor and Research Guide, Department of
Commerce,
Pachayappa's College, Chennai.

ABSTRACT: *The concept of organizational culture has received increasing attention in recent years. Based on the culture organization decides the selection process, training and development activities, criteria for evaluating performance, etc. Organizational culture plays a significant role in every organization. The success and failure of any organisation depends on the employees adaptability towards the organisational culture that prevails. A favourable organisational culture will ultimately leads to employee commitment towards the organisation. Hence, this paper helps to identify the impact of organisational culture on employee commitment and also factors which affects while transmitting organisational culture to the employees. The primary data was analysed by distributing the questionnaires to the employees working in BPO sectors in Chennai. Finding infers that teamwork is an important factor in BPO sectors which influences employee commitment and also improper communication is the factor which affects while transmitting organisational culture to the employees.*

Keywords: *Organisational culture, employee commitment, teamwork, communication, BPO.*

Introduction

An organisation is a place where an individual realize their dreams, earn profits and develop themselves. Every organisation differs from itself based on their unique working style which often contributes to its culture. Culture is a manmade environment. It also stays as a social bonding between the organisation and the employees which help in understanding the standard of how an employee must behave in the organisation. It is very vital that an organisation regularly reviews its values and norms to make sure it helps the organisation to succeed. It is a very powerful force which helps in building strong organisations.

Similarly, employees commitment is an also an important aspect within the organisation. This will reduce the employee turnover and increases profitability. Organizational commitment or employee commitment has a psychological strength for employees attachment and involvement with the organization. Employee commitment is being considered important by many organisations in order to survive in this competitive world.

Organisational culture and employee commitment is very important when comes to BPO sectors. Organisational culture always has strong influence on employee behaviour. Both of these goes hand in hand, as every employee wants to be treated well and equal whereby, every management wants to achieve their goals in timely manner.

Background of the study

Organization culture refers to a system of shared meaning held by the members that distinguishes the organization from other organizations. A culture in an organization is created by the founder member of the organization based on the vision, mission, goals, policies, employees characteristics, organizational structure etc. Thus, an organizational culture differ from one organization to another, this gives a sense of identity for the organization. To sustain the culture selection, top management, socialization process plays a very important role. Apart from these performance evaluation criteria, promotion procedure, training and development, recruitment procedure, etc should also fit based on the organizational culture. Every organisation develops and maintains a unique culture, which provides guidelines and boundaries for the behaviour of the members in the organisation. The culture of an organisation can also be identified in other internal elements such as leadership skills, team development, development opportunities, human resource system, that prevails in the organisation. These practices differ from one organisation to another. Organisational culture also acts as a motivator which guides and controls the employees. It also develops a positive attitude and behaviour of employees.

There are five types of organisational culture such as clan culture that deals with collaborative or friendly work environment, adhocracy culture which means creative work environment, market culture which based on getting things done, result oriented and enhancing competitiveness, and hierarchical culture which is formalized and structured work environment.

Employee commitment is the psychological attachment and which results in loyalty of employees towards the organisation. Employees commitment is a bond employees experience with the organisation. These employees are more determined in their work, show high productivity and are more proactive in lending their support to the organisation. Employees are committed based on the workplace value, job characteristics, subordinate – supervisor interpersonal relationship, pay and reward, work-life balance. According to Mathieu, J. E., &Zajac, D. M. (1990) says that older employees have less alternative employment options they may view the current job more favourable. Similarly it was also found that women employees are more committed than male employees.

There are three type of employees commitment such as affective commitment, continuance commitment and normative commitment. The outcome of the commitment is the work motivation. However, the level of work motivation will depend on the degree that individuals integrate with the organisation and this will ultimatelydetermine in their performance level. Thus, this study helps to identify the impact of organisational culture on employee commitment and the factor which affects while transmitting organisational culture to the employees.

Review of literature

Baker, E. L. (1980)says that organisational culture helps managers implement new strategies and plans easily. He also says that it is the duty of every managers to identify the appropriate culture that is needed for a particular organisation, measure the existing culture on the

same dimensions, identify the gaps in the organisational culture and rank these gaps in the order of importance, decide how to close the gaps, implement the choice and periodically repeat the whole process. Reynierse, J. H., & Harker, J. B. (1986) identifies that the organisational culture includes importance of people, management visibility, acceptance of non – conformity, clarity of standards, intimacy and values, internal competitions, customer orientation, internal communication and commitment to training. It was also found that according Atiku, S. O., et al (2017) cultural values has impact on human resource outcomes in term of employee skills, employee attitudes and employee behaviour. According to Nongo, E. S., & Ikyanyon, D. N. (2012) analysed that there is a strong relationship between corporate culture and employee commitment towards the organisation. Corporate culture improvises the level of organisational commitment but not all corporate culture will impact on employee commitment. Su, S., et al (2009) identifies the factors which affects employee commitment were organisational culture, team work, respect for the people, outcome orientation, innovation, stability and attention to details. It was also found that small organisation with high outcome orientation, consistency, and job satisfaction has higher level of employee organisational commitment.

Objective of the study

1. To identify the impact of organisational culture dimensions on employee commitment
2. To identify the factors affecting while transmitting organisational culture to the employees.

Research Methodology

The primary data was collected based on the convenience sampling technique by distributing structured questionnaires to the employees working in BPO sector in Chennai. The size of the sample is limited to 186 respondents. The data collected was analysed by following statistical tools such as percentage analysis, descriptive statistics, and regression analysis using SPSS 16.

Analysis and Interpretation

From the demographic profile of the respondents it was found that majority of 57% respondents falls under the category of below 30 years of age; Around 69% of the respondents holds degree / diploma qualification; Around 48% of the respondents were managers, 39% of the respondents were executives, 8% were senior executives and remaining 6% were lower staff/ clerks; Majority of 24% of the respondents has less than 1 years of work experience and 24% has more than 3 years of work experience.

Descriptive Statistics on factors affecting organisational culture on employees

TABLE 1: Factors affecting organisational culture on employees

Statements	N	Mean	Std. Deviation
Communication is improper during narrative of significant events about the organisation	186	4.10	1.056
Repetitive sequences of activities that express and reinforce the value of the organisation are not carried on regularly	186	4.02	.994
Employees feel difficult in order to learn the organisation's culture	186	3.89	1.181
My organisation is very much furnished with awards and trophies which provide complete insight that my organisation is highly interested in achieving success	186	3.83	1.065
Written statements of principles, procedures and policies are often unnoticed	186	3.77	1.078
Trainers do not provide complete training about organisation's values, beliefs, norms, etc. during new employee orientation training	186	3.54	1.324
Employees are not willing to learn organisation's values because of peer pressure	186	3.78	1.161
Employees inculcate the organisation's procedure and policies through the physical layout at the workplace	186	3.85	1.034
Employees wish to incorporate their own new ideas in the organisation	186	3.70	1.205
Employees level of understanding is very low	186	3.19	1.511

The table 1 indicates the descriptive statistics on the ways of factors affecting while transmitting organisational culture to employees. Were (N) represents the number of respondents participated in the survey. From the mean value it is concluded that improper communication during narrative of significant events about organisation has the highest value of 4.10 and standard deviation of 1.056 followed by repetitive sequences of activities that express and reinforce the value of the organisation are not carried on regularly which has a mean value of 4.02 and standard deviation of .994, while employees level of understanding is very low has lowest mean value of 3.19 and standard deviation of 1.511.

Multiple Regression analysis to identify the influence of organisational culture dimensions on employee commitment

TABLE 2: Influence of organisational culture on employee commitment

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.106	.292		10.642	.000
	Work is organised as teams rather than as individuals	.234	.069	.244	3.401	.001

a. Dependent Variable: employees commitment

TABLE 3: Organisational culture dimensions not significantly influencing employee commitment

Model	Beta In	t	Sig.	Partial Correlation	Collinearity statistics
Manager focuses on outcomes	.029 ^a	.396	.693	.029	.986
Management decisions take into account the effect on people in the organisation	.061 ^a	.825	.411	.061	.941
Employees understand what is required from them and they act in accordance with the core values of the organisation	.111 ^a	1.471	.143	.109	.909

The table 2 and 3 infers that work at the organisation are organised as teams rather than as individuals has $p < 0.05$ hence, we conclude that teamwork is one the important factor which influences employee commitment towards the organisation. Whereas, manager focuses on outcomes, management decisions take into account the effect on people in the organisation and employees understand what is required from them and they act in accordance with the core values of the organisation have no significant influence on employee commitment.

Conclusion

Organisational culture and employee commitment plays an important role for both employees and also for the organisation existence. Only when organisational culture is effective it could help to increase employee commitment towards the organisation. The inbuilt organisational culture should help the employee to understand what is expected from them so that they could act accordingly. The purpose of the study was to identify the influence of organisational culture on employee commitment. The findings reveal that the organisational culture which is based on teamwork influences employees commitment towards organisation and it was also found that the improper communication on the significant events about the organisation is the important factor affecting while transmitting organisational culture to employees. From this study it is concluded that the organisational culture is an important factor which influences employees commitment in the BPO sector. In order to increase employees commitment the organisation has to develop the organisational culture.

References

- [1] Atiku, S. O., Fields, Z., & Abe, E. (2017). Cultural Values and Human Resource Outcomes in the Nigerian Banking Industry. *SPOUDAI-Journal of Economics and Business*, 67(2), 26-46.
- [2] Baker, E. L. (1980). Managing organizational culture. *Management review*, 69(7), 8-13.
- [3] Mathieu, J. E., & Zajac, D. M. (1990). A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological bulletin*, 108(2), 171.
- [4] Nongo, E. S., & Ikyanyon, D. N. (2012). The influence of corporate culture on employee commitment to the organization. *International Journal of Business and Management*, 7(22), 21.
- [5] Reynierse, J. H., & Harker, J. B. (1986). Measuring and managing organizational culture. *Human Resource Planning*, 9(1).
- [6] Su, S., Baird, K., & Blair, B. (2009). Employee organizational commitment: the influence of cultural and organizational factors in the Australian manufacturing industry. *The International Journal of Human Resource Management*, 20(12), 2494-2516.
- [7] Stephen P. Robbins and Timothy A. Judge, *Organizational Behavior*, fifteenth edition, Pearson publication