

# Impact of Organizational Culture on Employees' Job Satisfaction: A Revisiting Literature Review in Different Sectors

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**Abstract:** - The study aims to focus on a critical review of the relationship between organizational culture and the employees job satisfaction level. Organizational culture is the basic assumptions and beliefs that are shared by members of the organization. Culture is considered as an internal variable meaning that it is something that organization has (Schein 1986). Job satisfaction refers to the perceptions of their working environment, relations among colleagues, earnings and promotion opportunities of the employees. The review will be reflecting the contemporary job-related factors like job satisfaction are related to their perceptions of their working environment, relations with colleagues, institution aims and strategies and success criteria. In addition, the employees' preferred organizational culture is likely to be affected by demographic characteristics such as gender, sex and marital status. Therefore, that measuring and analyzing an organization's culture in combination with its employees' demographic and individual characteristics may lead to valuable conclusions, so that job satisfaction is promoted.

**Keywords:** Organizational Culture; Job Satisfaction, Education sector, IT Sector and Banking Sector

## I. INTRODUCTION

The perception towards organisational culture has become more significant from early 1980s. Organizational Culture mainly includes the values, opinions and attitudes of a company. Culture refers to how the things are undertaken within different organisations (Nayak & Barik, 2013). It is also famous that the culture of the organisation is mainly focuses with the direction of learning. Thus, it is very much essential to recognise the aspects of the culture of an organization before any change is going to be implemented. It has been seen that the hidden rules and expectations of behaviour in an organisation where the rules are not officially considered, employees know what is anticipated from them. It is the responsibility of the management to make decisions on policy about the organisation culture (Armstrong, 2006).

Job satisfaction is the evaluation of employees of his job responsibilities and the working environment and as the result of the satisfaction, the employees develops positive or negative attitude towards the rules, beliefs and values of the organisation which have an impact on the working conditions. These positive or negative effect of job evaluation is

important to discuss because it is significant for the well-being and success of the organisation. Organisations has to give importance to the culture, because higher the level of culture, higher will be the level of job satisfaction which improves the productivity of the employees. Therefore, that it is important to understand the relation between the culture and job satisfaction of employees (Tsai, 2011).

Higher education is an important asset for both the developed and the developing countries and it cannot nurture without teachers playing their due roles in academic institutions (Mansor & Tayib, 2010). Educational institutions must avoid mechanistic approaches towards their predefined goals and must develop a culture that is supportive to employees' satisfaction and commitment (Sabri, et. al. 2011).

IT industry is chosen for this study because it enables researcher in exploring the phenomenon in depth. Additionally, this sector has significantly contributed in the Indian economic growth and GDP of India in last three to four decades thus it is significant sector of a country .

Banking sector is a highly productive and target oriented area of the country with special reference to Public and private sector banks for which it has been focused for the study

Many research studies have been conducted which contributed the Competing Values Framework (CVF) and identified four types of culture such as: clan, adhocracy, hierarchy and market culture (Cameron & Freeman, 1991; Quinn & Cameron, 1983; Quinn & Rohrbaugh, 1983). The Theory of Competing Values Framework (CVF) suggested two dimensions; first is differentiation of effectiveness criteria which stress on flexibility, discretion, and dynamism from stability, order and control. The Second dimension includes differentiation of internal orientation, integration and unity from external orientation, differentiation and rivalry. In this theory, Cameron & Quinn (2006), defined organizational culture refers to the values, assumptions, expectations, collective memories and definitions present in organization. Each quadrant shows most notable characteristics. Cameron and Quinn theory suggested four types of culture in organizations such as clan, adhocracy, hierarchy and market which is illustrated in Figure 1.



**Source: Cameron and Quinn (1999)**

(Figure: 1)

*Objectives of the Study:*

1. To investigate previous literature of organizational culture
2. To study the previous literature of Employee Job Satisfaction.
3. To explore the literature on Impact of Organizational culture and Employees Job satisfaction

*Methodology*

The article contains all the data collected from past literature available on organizational culture and job satisfaction. The secondary data source includes data from published and unpublished sources including journals, internet etc.

**II. LITERATURE REVIEW**

*2.1. Organizational Culture:*

According to Schein, culture refers to the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration have worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.”(As cited in Sun, 2008, p. 138).

*2.2. Organizational Culture in Education sector*

Taye, Markos, Sang, Guoyuan et.al. (2019) studied the topic entitled "Organizational culture and its influence on the performance of higher education institutions: The case of a state university in Beijing". The study explored the organizational culture and it's influence on the organizational performance. Here six elements have been taken such as environment, mission, leadership, socialization, strategy and information to get the result. The students and faculty

members have been interviewed through semi structured questionnaire. All participants have given their response to six set of questions comprising all the elements considered to understand organizational culture. The findings of the study revealed that most of the elements of the organizational culture seems motivating and encouraging towards the success of university missions and visions. More specifically, all the participants agreed that a friendly environment is of high value for both academics and students.

**Dr. Tariq Jalees & Shagufta Ghauri (2016)** examined the effect of organizational culture on job satisfaction, organizational commitment and turnover intention in a private business university in Karachi. 92 faculty members were selected non-randomly out of 120. Organizational Culture Assessment Instrument (OCAI) was used to measure the culture and the questionnaire used was based on five -points Likert Scale. Quantitative research methods like Descriptive statistics, correlation, multiple regression analysis were used to analyze the data collected. The findings revealed that the knowledgeable workers are the important assets and they should encouraged through growth opportunities. It is also showed that with a favourable environment, the employees will be satisfied and encouraged.

**Bogdan S.Vasyakin et.al. (2016)** analysed the organizational culture at the higher education institution as a case of the Plekhanov Russian University of Economics. They aimed to study the students' involvement in this culture and to draw the conclusions as what organizational culture is internalized by the students. The tools like survey methodology and OCAI (Organizational Culture Assessment Instrument) model has been used. And it was found that a hierarchical culture

prevails at the University and the students expect some changes in the style of culture.

**Ma.Leodevina C. Batugal et.al. (2019)** examined the influence of organizational culture on the organizational commitment and job satisfaction of teachers in the Catholic higher education institutions in Philippines. the findings of the study revealed that clan in the most dominant culture type of this institution. Among these four cultural types, Clan culture has a high positive influence on the employees' commitment of teachers and has highly positive influence on the job satisfaction.

### 2.3. Organizational Culture in IT Sector

**Sree Lekshmi Sreekumar Nair et. al. (2017)** explored the factors and impact of organizational culture on the employees' job satisfaction working in the Small and Medium size I.T. firms in South in India. The Denison's Model was used to explore the organizational culture and 400 employees were taken as sample size. Data were analysed through MS Excel. The result indicated that culture has a significant positive influence on the employees job satisfaction. learning culture leads to employees' commitment.

**Vicente Prado et. al. (2017)** analyzed the knowledge management and organizational culture at a Spanish software development enterprise. The total sample size was 196 employees and to achieve the objectives, the Organization Knowledge Practices(OKP) questionnaire(Cortijo and Quintanilla, 2004) and Organizational Culture Inventory(OCI) were used. The findings revealed that the company is oriented towards a constructive organizational culture. Moreover the company emphasized on efficient knowledge management practices especially in teamwork.

**Nidhin S. et. al. (2015)** examined the impact of organizational culture on business operation in ITES entities. Data were collected through a structured questionnaire from 191 employees. They explored five variables such as Organizational decision, Teamwork, Role clarity, Physical working condition and compensation and benefits.

**R.Durgadevi et. al (2017)** identified the different types of organizational culture and studied the relationship between organizational culture and organizational performance. 230 IT employees were taken as the sample size and data were analyzed through multiple Regression analysis, ANOVA. The result highlighted that Hierarchy cultural type is positively significant with the performance.

### 2.4. Organizational Culture in Banking Sector:

**Bhavna S. Pendke, Dr Rajesh Timane, Dr Gayathri Band (2018)** conducted the research study on “An Analytical Study of Public and Private Sector Bank Employees with Respect to Work Culture and Employee Morale. The purpose of this study was compare work culture and morale of public and private sector bank employees of Nagpur city. It was concluded that there are significant differences in the opinion

of the employees of public and private sector banks in Nagpur city.

**B. A. Chukwu, S. M. Aguwamba, E. C. Kanu (2017)** conducted the research study on the Impact of Organizational Culture on Performance of Banking Industry in Nigeria. This study attempts to determine the impact of organizational culture on performance of Banking Sector in Nigeria. The findings show that a significant and positive relation lies between the independent variables, cultural fit, reinforcement of pillar of existence, enhancement of organizational effectiveness and the dependent variable organizational performance. A significant and negative relationship exists between the independent variable consistent pattern of behavior and the dependent variable organizational performance.

**Sarath, P, Manikandan, K (2016)** conducted the research study on the topic entitled “Organizational Culture and Work Stress among Bank Employees”. This study aimed to find out the nature of organizational culture and work stress of banks employees of northern Kerala. The result revealed that, the interactions among organizational culture, types of bank and education does not show any significant influences on over overall work stress and its dimensions - demand, control and role, except support.

**Rana Tahir Naveed, Dr. Amer Hamzah Bin Jantan, Naveed Ahmad (2016)** conducted the research on the topic entitled “Organizational Culture and Organizational Change in Pakistani Commercial Banks”. The objective of the study is to explore the relationship of organizational change and organizational culture. It is observed that there is relationship between organizational culture and organizational change. Employees normally supports change if change give them good environment, satisfaction and positive attitude of leadership.

**Habiet-tuz-Zahra Moosvil and Imran Bukhari (2015)** conducted the study on the topic entitled “Relationship between Organizational Culture and in-role job Performance among Private sector bank employees”. The research study was conducted to identify the relationship between the facets of organizational culture and in-role job performance among the private sector bank employees of Islamabad and Rawalpindi. In this research they found that bureaucratic organizational culture has a significant positive impact an in-role job performance of the employees and innovative culture is also positively related while supportive culture has a non significant impact on in-role job performance.

### III. EMPLOYEES JOB SATISFACTION

Job satisfaction refers to the emotions that employees possess towards role they are performing at the work place. Job Satisfaction is an essential component for employee motivation and encouragement for their better performance.

Hoppok & Spielgler (1938) defined job satisfaction is a set of psychological, physiological and environmental conditions

that encourage employees to admit that they are satisfied or happy with their jobs. Thus, the performance of the employees at workplace is influenced by various elements

such as job safety and security, salary, working conditions and superior and subordinates communication on an employee within the organization.

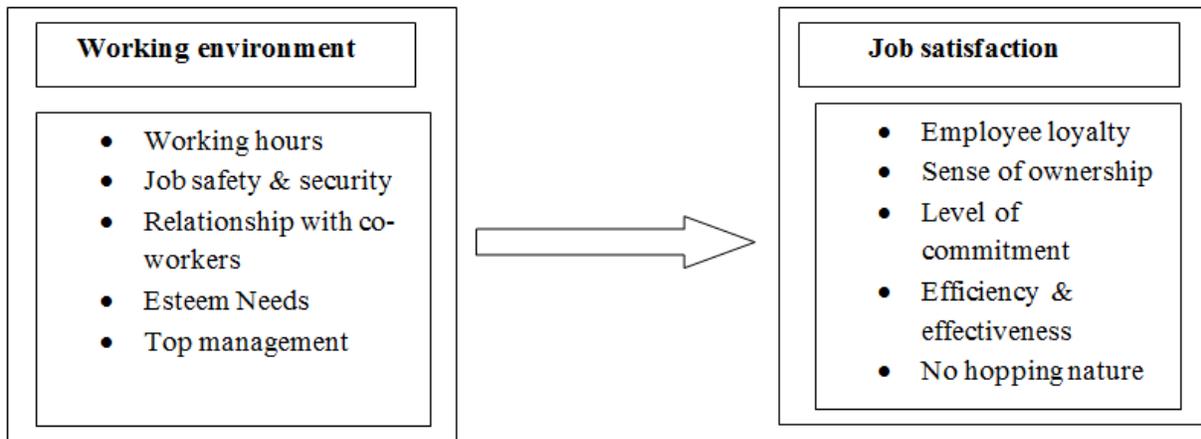


Fig 1: A conceptual model of Working Environment that yields Job Satisfaction

### 3.1. Job Satisfaction in Education Sector

**Naveena et al.(2019)** explored the factors influencing academicians to stay with their institutions. According to them the teachers' motivation depends upon many factors like salary, students' feedback, job security, superior subordinate relationship etc.

**Okele & Mtyuda (2017)** found out the outcomes which indicated that a lack of resources, more crowd and indiscipline amid pupils were severe sources of disappointment among teachers. Other causes of job dissatisfaction among teachers is management decision. All these factors create disengagement among teachers and filled negativity in their job.

**Ma. Leodevina C. Batugal (2019)** examined the influence of organizational culture on the organizational commitment and job satisfaction of teachers in the context of Catholic higher education institutions in the Philippines. It has been observed that clan is the most dominant culture type of Catholic HEIs in the Philippines. Additionally, teachers are highly committed towards their organization and satisfied to their job. Clan has a high positive influence on the organizational commitment of teachers and has a slightly positive influence on their job satisfaction among the four culture types.

**Tharikh et al. (2016)** analyzed the data and results showed that workplace satisfaction, organization commitment and organizational nationality behaviour statistically important and optimistic relationship.

**Jalal Hanaysha (2016)** examined the impact of the four factors namely employees engagement, employee motivation, work environment and organizational learning on job satisfaction in higher education sector. The data were

collected from 242 employees through survey instrument. The data collected were analyzed through Structural Equation Modelling. The findings indicated that employee engagement, motivation, environment and learning has significant positive effect on job satisfaction.

### 3.2. Job Satisfaction in IT Sector

**Deepali D. (2018)** explored the various factor affecting job satisfaction and studied the relationship between job satisfaction and employee relation. The factors namely organizational image, organizational culture, salary, benefits, incentives, achievement, job security, leadership style, authority and responsibility influences on the job satisfaction which is positively associated with employee retention.

**Marrut Manistitya et. al. (2015)**, in their article tried to determine how human resource management, job satisfaction and employee commitment affect staff turnover intention. Quantitative research methods were used to analyze the data collected from 220 IT professionals. The findings from this study revealed that the organization carrying good human resource management systems and policies will result in satisfied information technology professionals in their work which leads to employees being committed and loyal to the organization performance. Therefore, this will result in a reduction in turnover intention.

**Bellary et al (2015)**, in their paper tried to determine the impact of Information Communication and Technology (ICT) on the employees' job satisfaction among library professionals of the reputed institute Narsee Monjee Institute of Management Studies (NMIMS) Deemed University. The present study targeted 13 library professionals. It was revealed that majority of the respondents were required training on latest developments in the library field.

**Wang, Wei & Zhang, Yi, (2015)**, developed a research model to examine the relationship between employee users "satisfaction with information and communication technologies (ICTs) and job satisfaction. The responses from 229 employee were collected through online survey. The study revealed that job positively moderates the impact of satisfaction of using IT on job satisfaction. Also, the results also approved the mediating effect of both job fit and professional fit.

**Fawad Latif, K et al (2013)**, the researcher have identified that the training received by employees contributes in achievement of job satisfaction. Different elements of job satisfaction were found to have a significant positive relationship with each other which results in a significant association between satisfaction of training programs and employee development aspects of job satisfaction. The Study identified the important aspects of creation of job satisfaction among employees in a business world which was driven by learning and sharing of information. The research put focus on the needs of business to depend on building employee capacity and focusing on employee development to attain job satisfaction and creation of competitive advantage for the business organization.

### 3.3. Job satisfaction in Banking Sector:

**Obulesu Varikunta et al.(2019)** aimed to determine the predictors of job satisfaction of the employees in Banking sector in India. The data were collected mainly through interviews with bank employees and managers. It was found that the most of the employees are very much satisfied with the behaviour of the employees.

**Stephen Gatonye Njuguna et al.(2016)** established different factors affecting employee satisfaction in the banking industry in Kenya. The target population was 276 employees. Data were collected through a structured questionnaire and collected data were being analyzed through statistical techniques like correlation and regression coefficients to draw a causal relationship between the determinants and employee satisfaction.

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**Abdul Khaliq Alvi et al. (2017)** evaluated the influence of organizational culture and employee satisfaction upon organizational performance in the banking sector of Pakistan. To collect Data, 125 questionnaires were distributed and the investigator used Regression Analysis to know the relationship between culture and job satisfaction. It is found

that job satisfaction and organizational culture are the important predictors of employee performance.

**Senawirathna et al.(2017)** identified the level of job satisfaction of banking employees' in private and public banks in Sri Lanka. 226 employees were selected as sample of the study based on stratified random sampling. The findings revealed that higher level of job satisfaction of public sector banking employees than private sector employees in Sri Lanka. Further regression analysis result highlighted statistically significant impacts of work, salary, job security and recognition on employee job satisfaction in baking sector.

## IV. CONCLUSION

Organizational Working condition has a positive impact on the employees' Job satisfaction. Unhealthy working conditions restrict employees to utilize their capabilities and attain full potential. The factors which affect the satisfaction are working conditions and the financial and non financial rewards. Only few employees are motivated by the less supervision, hence proper supervision is required to evaluate the performance of the employee. To conclude all above the literature related to organizational culture and employees job satisfaction among different working organizations with different variables like occupation commitment, work engagement, gender, self job satisfaction, leadership, optimism, educational qualification, job dissatisfaction, efficacy, organizational culture, music, resilience work training, psychological capital, organizational climate, demographic variables etc. Demographic variables greatly impacted on the employee satisfaction levels. Job satisfaction may be dependent on the some of the job aspects and it also differs on gender too.

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