Relationship between Organizational Culture and employee satisfaction (With special reference to National Planning Department, Ministry of Finance and Planning)

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ABSTRACT

It has been widely acknowledged that the relationship between the organization and its employees is interdependent in nature where both parties may impact on one another's ability to achieve positive results. Many researchers suggest that a considerable relationship exists between the organizational culture and job satisfaction where the need of assessing the impact of organizational culture on employee job satisfaction has been highlighted strongly. The main objective of this study is to examine whether a relationship exists between the organizational culture and job satisfaction of employees within the selected organization i.e. National Planning Department (NPD, Sri Lanka). NPD is a government organization which is responsible for national development planning, including financial and fiscal policy preparation and overall macroeconomic management. The study was carried out taking the entire employee population into consideration. Organizational culture was examined as the independent variable with the identified dimensions and employee job satisfaction was measured as the dependent variable based on Minnesota Job SatisfactionQuestionnaire in a five point Likert scale. Descriptive statistical measures and regression analysis were used for analyzing data. It was revealed that the organizational culture shows a high strength regarding all the dimensions and the degree of job satisfaction is also high among the employees of NPD. Most importantly a strong positive relationship between organizational culture and employee job satisfaction was found. Managers can craft strategies to strengthen the organizational culture appropriately in order to increase employee satisfaction based on this relationship.

KEYWORDS: *Organizational Culture, Employee satisfaction*

Introduction:

Organizational culture is the unique combination of the values that each organization believes in and it has been considered as one of important core competencies of an organization. Like every person has his own style of behavior, his own personality, similarly the organization has a distinct culture. This culture may be defined as a set of all the espoused values of the organization. And also job satisfaction can be identified as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Further Schneider and Snyder explained in their articles that Job satisfaction thus, has to do with an individual's perception and evaluation of his job, and this perception is influenced by the person's unique circumstances like needs, values and expectations. People will therefore evaluate their jobs on the basis of factors, which they regard as being important to them. Organizational culture is a main factor which affects the employees job satisfaction. The aim of this study was to examine whether a relationship existed between the variables job satisfaction and organizational culture of employees within National Planning Department, Ministry of Finance and planning.

Statement of the Problem:

Organizations represent the most complex social structures known today because of their dynamic nature. Employees are one of the role players in the organization, and it is through their involvement and commitment that the organization becomes competitive. Organizational climate and organizational culture can be promoted to facilitate the achievement of job satisfaction and organizational goals' ability to achieve positive results.

Job satisfaction is one of the most frequently investigated variables in organizational culture, behavior and other occupational phenomena, ranging from job design to supervision (Besanko, 1996). In general, job satisfaction encapsulates an employee's feeling about his/ her job.

According to a paper article published in 'US: World Report: Money', A poor Organizational culture is one lacking in direction. This lack of leadership in getting work done allows neglectful attitudes to propagate. Employees in a culture where little is expected are likely to procrastinate and take short cuts when they do execute their work. The motivation to pay attention to detail is absent. This behavior illustrates a general poor performance that links back to the organizational culture.

Further that report indicates that Working in a poor organizational culture promotes careless behavior by its staff. There is a lack of ethics that discourages workers from paying careful attention to duties and customer service. The atmosphere is casual to the point where careless behaviors such as using profanity, dressing inappropriately and expressing thoughtlessness in client interactions pervade. Professionalism suffers greatly in this type of workplace environment.

Therefore, the main aim of this study was to check whether there is any relationship existed between the job satisfaction and organizational culture of employees within the National Planning Department, Ministry of Finance and planning. And also this study tries to analyze the nature of NPD culture and current level of employee satisfaction. It is worth to study this topic in order to improve the overall performance of the NPD. National Planning Department includes 40 employees which comprises with Directors, Assistant Directors and Development officers.

Objective of the study

- To identify the currently prevailing Organizational culture, within the National Planning Department
- To Identify the relationship between Organizational culture and employee satisfaction

Review of Literature:

According to Barney (1986) Organizational culture shows the basic and radical characteristics of an organization. Thus it can become a source of sustainable competitive advantage if that culture is valuable, rare, and imperfectly imitable. Tharp (2009) has noted some common features among the definitions that have been given to organizational culture through the years. First of all, they all include the concept of sharing; indicating that organizational culture is only developed within groups (even small ones). Secondly, organizational culture is considered to be a social construction, related to each

organizations and employees' location, history, working environment and specific events. Finally, many definitions imply that organizational culture is multidimensional and multileveled and includes many cognitive and symbolic strata.

Employee satisfaction reflects the psychological state of the individuals working in an organization. Although it is implicit, it will obviously impact the employee's performance. Zhang and Li (2013). Extensive research proved that job satisfaction does not happen in isolation, as it is dependent on organizational variables such as structure, size, pay, working conditions and leadership, which constitute organizational climate (Schneider & Snyder, 1975; Hellriegel & Slocum, 1974; Kerego & Mthupha, 1997; Peterson, 1995; Boeyens, 1985). The measurement of climate and culture can serve as a starting point in diagnosing and influencing such change in the organization.

Organizational culture has much more influences on organizational performance by impacting the psychological states of individual employees, working groups and even the whole organization. Actually this complies with the paradigm shift to humanism in business and psychological insights should become the basis for management.

Organizational culture influences all aspects of business and life in a company. It is linked to numerous organizational results (House et al. 2004), and one of them is job satisfaction.
A great number of researchers examine the relationship of job satisfaction and organizational culture (Spector, 1997; Judgev et al., 2001; Sempane et al., 2002; Meyer et al., 2002, Lund, 2003; Silverthorne, 2004; Moynihan and Pandey, 2007; Fargher et al., 2008; Amos and Weathington, 2008; Bellou, 2010). Job satisfaction is one of the most frequently investigated variables in organizational culture, behavior and other occupational phenomena, ranging from job design to supervision (Spector, 1997).
In general, job satisfaction encapsulates an employee's feeling about his/ her job. Research, however, has revealed that job satisfaction is a multidimensional phenomenon, influenced by several internal and external factors, like the individual's values, principles, personality and expectations and the job's nature, the opportunities provided etc. (Davies et al., 2006). Many different components of job satisfaction have been defined and studied, in the frame of a general effort to analyze and promote it.
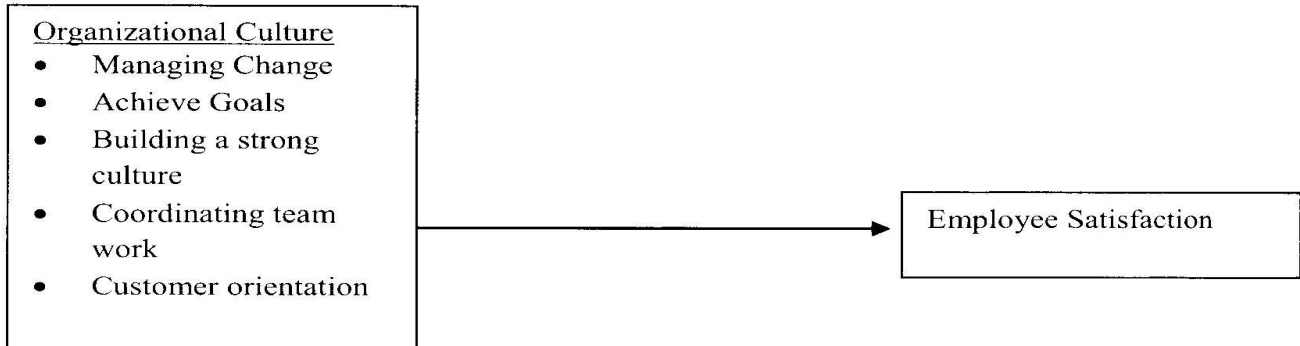Multilevel analysis done by Griffin, Patterson and Michel indicated that the extent of teamwork at the company level of analysis moderated the relationship between individual perceptions of supervisor support and job satisfaction. Second, it was proposed that the extent of teamwork would be positively related to perceptions of job autonomy but negatively related to perceptions of supervisor support. Further, it was proposed that the link between teamwork and job autonomy would be explained by job enrichment practices associated with teamwork. Further Research done by Mirjam explained that 35 % of job satisfaction is predicted by a structural equation model that includes both organizational culture and teamwork.

Researchers and practitioners in both the public and private sectors agree that participative management (including team work and assigned goals) improves employees' job satisfaction. Public agencies have also turned to strategic planning to enhance government performance and accountability. Study done by Kim (2002) explores the relationship between participative management (including team work and assigned goals) in the context of the strategic planning and job satisfaction in local government agencies. The results of multiple regression analysis show that managers' use of a participative management style and employees' perceptions of participative strategic planning processes are positively associated with high levels of job satisfaction. The study suggests that participative management that incorporates effective supervisory communications can enhance employees' job satisfaction. In this regard, organizational leaders in the public sector should emphasize changing organizational culture from the traditional pattern of hierarchical structure to participative management and empowerment.

Methodology

Conceptual Frame work

Figure 1.1

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┌─────────────────────────────┐
│ Organizational Culture      │
│  • Managing Change          │
│  • Achieve Goals            │
│  • Building a strong        │                    ┌──────────────────────┐
│    culture                  │ ─────────────────► │ Employee Satisfaction│
│  • Coordinating team        │                    └──────────────────────┘
│    work                     │
│  • Customer orientation     │
│                             │
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Variables and measures

Independent variable was 'Culture' whereas the dependent variable was Employee satisfaction. Organizational culture at NPD was measured using 25 Statements base on 5 main variables; Managing change, Achieve Goals, Building a strong culture, Coordinating team work and customer orientation. Employee satisfaction was measured using 15 Statements.

Population

Total population was forty employees of National Planning Department which include all Directors, Assistant Directors and Development Officers (Room number 134,135,131,132 and Center for Development)

Table 1.1 Total population

Directors	8
Assistant Directors	25
Development Officers	7
Total population	**40**

Sampling Method

Forty questionnaires were distributed among the employees of the NPD in order to cover the entire population. But only 83% of employees were responded to the questionnaire.

Table 1.2

	Distributed	Received	Respond Rate
Directors	6	4	66%
Assistant Directors	24	22	91%
Development Officers	7	5	71%
Total Sample	**37**	**31**	**83%**

Data Collection

Primary data was collected through questionnaire and secondary data were collected through websites and journals.

Methods of Data Analysis and Evaluation

The collected data were analyzed using the computer software known as Statistical Package for Service Solution (SPSS). Using this software following statics has been calculated,
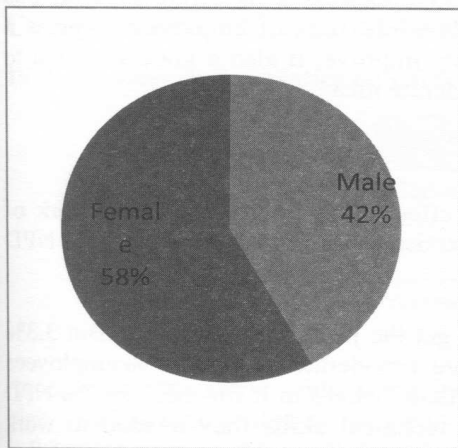
- Mean
- Stranded Deviation
- Regression Analysis

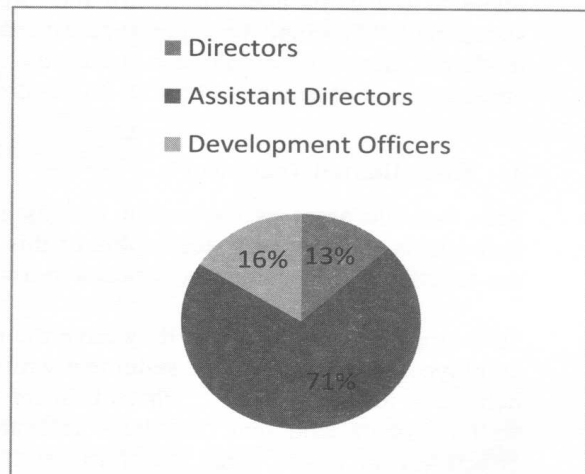## Results and Discussion

Data Analysis

Figure 1.2 Demographic Factor Analyses

Gender Profile of the Sample

13 Males and 18 Females represent the sample which is 42% and 58% respectively. Majority of the Sample represent Females.

Grade profile of the Sample

4Directors, 22 Assistant Directors and 5 Development officers responded to the questionnaire. It represent 13%, 71% and 16% respectively.

Currently prevailing 'Organizational culture' at National Planning Department

1. Managing Change:

This area of action concerns **how well the organization is able to adapt to and deal effectively with changes in its environment**.

According to the output given by SPSS, the aggregate mean value of this variable is 3.52 and Standard deviation is 0.40. As a whole, it reveals that the NPD staff is able to adapt effectively with changes in the environment.

93.3% of NPD staff members are flexible and adaptable when changes are happen within their organization. 16.7% employees express a moderate idea on this statement. 20% of employees believe

that most changes are a result of pressures imposed from higher up in the organization. 33.33% employees expressed a moderate opinion on this statement. Positive response was given by 47% employees. 23.3% employees believe that changes in NPD happen too quickly and cause too much distruption.26.7% employees express a moderate opinion while 50% of employees disagree with the statement. 83.3% employees believe that they can influence and affect for their work place through their ideas and involvement while 16.7% express a moderate idea. This situation can be identified as a good opportunity for the organization.

2. Achieving Goals

This variable concerns **how effective the organization is in achieving goals**, the extent to which there are coherent and shared (aligned) goals, and the degree to which shared values support improvement and achievement rather than the status quo.
The mean value of this variable is 3.7. Dispersion is also 0.42. It reveals that NPD is effective in achieving goals.
There are 22% employees who often expect to reach goals which they believe unattainable while 30% of employees express a moderate idea. 46.7% employees disagree with this statement and it can lead to reduce the performance of NPD. According to the data given by NPD staff, 70% said that, they are measured and rewarded according to how well goals are achieved. 13.3% employees disagree with the statement while 16.7% indicate a moderate idea. 66.7% employees have clearly defined goals that relate to the goals and mission of the Organization while 33.33% express a moderate idea on this statement. 90% employees participate in defining specific goals while 10% of employees express a moderate idea. 70% employees stretch their goals to continuously improve. It also a good situation to enhance the performance of NPD. 26.7% employees stated a moderate idea.

3. Coordinated Team work

This variable assesses the extent to which an organization is effective in coordinating the work of individuals and groups. Mean value of this variable is 4.2. Dispersion is also 0.3. It indicates that NPD has an effective coordination between individuals and groups.

76% employees believe that they have the relevant authority to get the job done effectively. But 3.3% employees disagree with the statement while 20% employees state a moderate opinion. 96% employees believe in team work that, "what's in it for us" approach rather than "what's in it for me." 96.7% NPD staff members said that they have relevant interpersonal and technical skills they needed to work effectively in teams. And also NPD staff knows what's expected from them and their impact on beneficiaries, teams and functions. The other Strength of NPD culture is they believe in working together collaboratively. Managers at all levels work together as a team to achieve results for the organization. But 16.67% express a moderate idea on this statement.

4. Customer Orientation

This variable concerns, **extent to which organizational activities are directed toward identifying and meeting the needs and goals of clients and customers**. Sri Lankan Citizens are the beneficiaries/customers of NPD. SPSS reveals that the mean value of this variable as 3. Dispersion is also 0.5. It indicates, NPD directs their activities toward meeting the needs and goals of beneficiaries.

80% NPD employees believe that they give highest priority to meeting the needs of beneficiaries to solve their problem. But 20% of employees express a moderate idea about it. 73.3% employees believe that organizational policies and procedures help to provide a better service for the citizens. 26.7% employees gave a moderate opinion. 80% of employees are willing to find new ways to better serve for their employer and also to the citizens. 20% of employees don't pay their attention on innovations. 60% of employees believe that Employees who do the best job of serving to the Organization are more likely than other employees to be recognized or rewarded. But 36% employees disagree with the statement.

5. Cultural Strength

This variable reveals the extent to which people agree on values and examining the **extent to which certain "meta-values" are present.**
The mean value of this variable is 3.9. Dispersion is also 0.5. It reveals that employees of NPD highly

agree with the values currently prevailing.

70% of NPD staff values and make use of one another's unique strengths and different abilities while 30% express a moderate idea. 86.7% staff members are aware about the organizational objectives and priorities. NPD decisions are most often made on the basis of facts, not just perceptions or assumptions. NPD staff has access to timely and accurate information about what's really happening in the organization. Only 3.3% express a negative idea on this statement. Everyone strongly believes in a set of shared values about how employees should work together to solve common problems and reach mutual objectives

Table 1.3 Descriptive statics on Culture dimensions

Variable	Standard deviation	Aggregated Mean
Managing Change	0.4	3.52
Achieving Goals	0.42	3.7
Coordinating team work	0.3	4.2
Building strong culture	0.5	3.9
Customer orientation	0.5	3

Current Level of Employee Satisfaction at National Planning Department

Table 1.4 Descriptive statics on current level of satisfaction

Mean	3.90
Median	3.93
Std. Deviation	.300
Variance	.090

According to the above table, it can be concluded that the current level of satisfaction of NPD staff is high which is represented by the mean value of aggregated satisfaction. And also the standard deviation is 0.3which represent a small deviation from mean value. According to the satisfaction measurements, employees at NPD satisfied mostly with the chance to be improved in their career life, relationship with co workers, the physical surrounding where they work, variety in their works, job security and the chance to do work that is well suited to their abilities
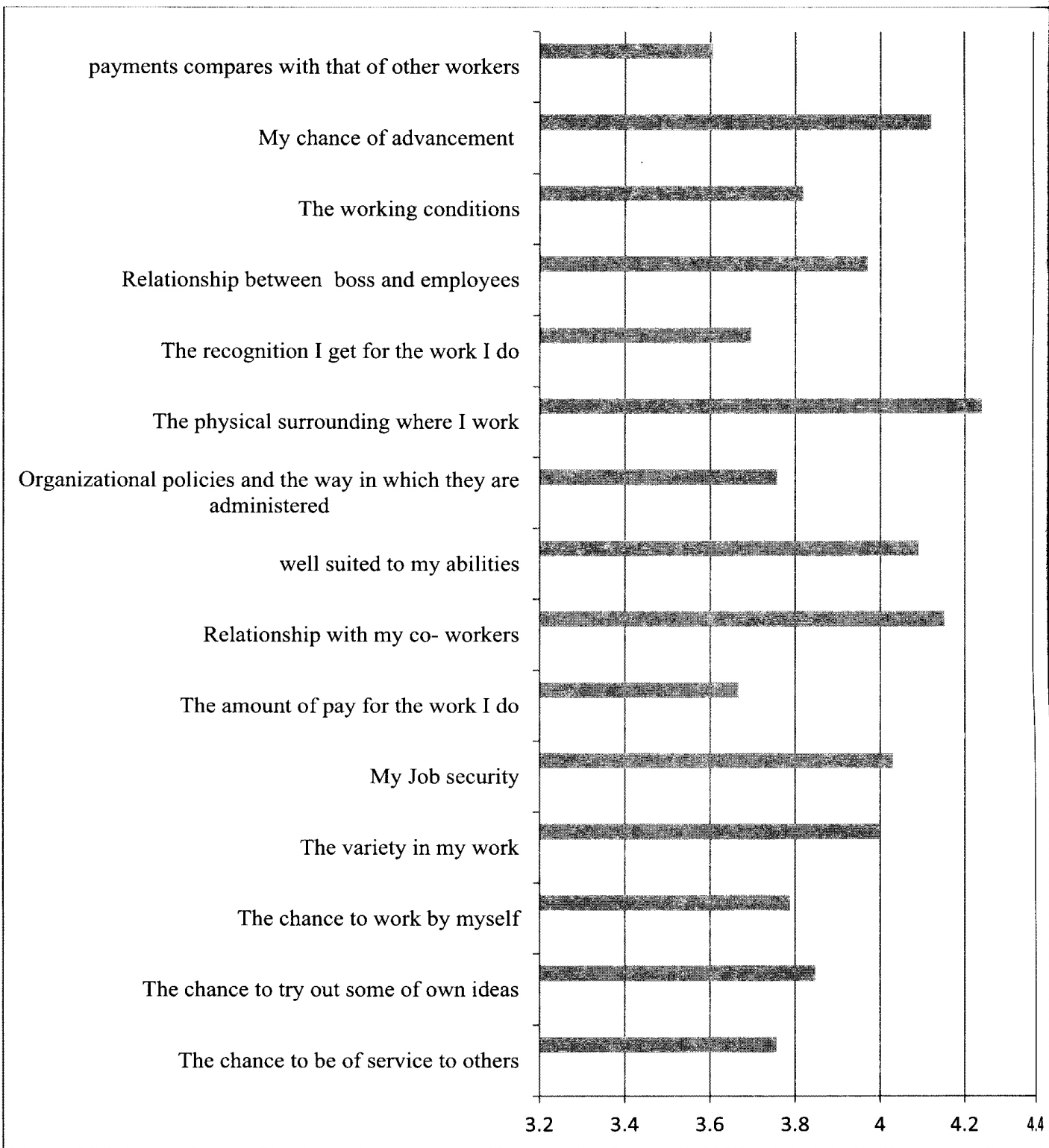
payments compares with that of other workers

My chance of advancement

The working conditions

Relationship between boss and employees

The recognition I get for the work I do

The physical surrounding where I work

Organizational policies and the way in which they are administered

well suited to my abilities

Relationship with my co- workers

The amount of pay for the work I do

My Job security

The variety in my work

The chance to work by myself

The chance to try out some of own ideas

The chance to be of service to others

3.2   3.4   3.6   3.8   4   4.2   4.4

Figure 1.3

Relationship between Organizational Culture and Employee Satisfaction

Table 1.4 Regression and correlation between employee satisfaction and organizational culture

Model		Unstandardized Coefficients B	Sig.	Pearson correlation
1	(Constant)	2.951	.070	
	Managing Change	.077	.465	0.091
	Achieving Goals	.004	.005	0.070
	Building Strong Culture	.027	.841	0.030
	teamwork	.110	.042	0.101
	Customer orientation	-.140	.311	-0.182

Correlation coefficient is usually written as **r**. The possible value of **r** range is from -1.00 to +1.00. The closer the coefficient is to an absolute value of 1.00, the greater the degree of relatedness. Values near 0 indicate a very weak linear relationship. When go through the table 1.4, it can be concluded that managing change, achieving goals, Building strong culture and team work represent a positive correlation. These positive values indicate that there is a positive association between variables, and the variable 'customer orientation' reveals a negative value which indicates negative association. Finally it can be concluded that there is a weak positive relationship between first four variables and there is a weak negative relationship between Customer orientation and employee satisfaction. Highest correlation reordered from Managing change, achieving goals and team work.

Impact on cultural dimensions on employee satisfaction

Employee satisfaction = $2.951 + 0.77X_1 + 0.004X_2 + 0.027X_3 + 0.110X_4 - 0.140X_5$

X_1 = Managing change

X_2 = achieving goals

X_3 = Building strong culture

X_4 = customer orientation

X_5 = team work

Conclusion and Recommendations:

Conclusion and Recommendation

Building a better, more functional organizational culture, one that provides a solid foundation for organizational effectiveness, is a slow and difficult process. There are no quick fix solutions to the problem of improving an ineffective culture. There are, however, solutions. To start with, they all require a strong commitment to improvement, from top-level managers. The top level managers of the organizational unit under consideration should lead the development of a shared vision of what can be, of what is possible. Once the existing patterns of culture are unfrozen, through concrete, data-based awareness, it is possible for managers and administrators to become leaders.

According to the output given by SPSS, it can be revealed that there is a strong culture within the National Planning Department. And also there is a positive relationship between employee satisfaction and organizational culture. But the results not show a significant relationship with organizational culture and employee satisfaction.

When considering the data given by NPD staff, it can be revealed that they have a good organizational culture. But they must take necessary steps to overcome their weaknesses in order to provide a quality service to the society.

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