

A Study on Organizational Culture and Its Impact on Employee Behavior

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Abstract

Every human being has certain personality traits which help them stand apart from the crowd. No two individuals behave in a similar way. In the same way organizations have certain values, policies, rules and guidelines which help them create an image of their own. Organization culture refers to the beliefs and principles of a particular organization. The culture followed by the organization has a deep impact on the employees and their relationship amongst themselves. Every organization has a unique culture making it different from the other and giving it a sense of direction. It is essential for the employees to understand the culture of their workplace to adjust well.

Achieving and maintaining quality of product and customer satisfaction are two most important factors of successful organization. To achieve these twin objectives, an organization has to marshal various resources, plan its use over a period of time and produce a product or service, which meets the consumer needs, desire and aspirations. For an entrepreneur, the most important and difficult task is to manage human resource. The task becomes more pronounced if the employees are from different geographical area having different culture. In such situations, manager should evolve a technique where a strong organizational culture is established. Culture is invisible power of any organization. When thinking and actions of employees are institutionalized, an organizational culture is deemed to have taken birth. It guides the employees. Organizational culture is not inborn.

Organization culture helps develop professionalism among its employees. Value system is the corner stone of the organization culture. It promotes standardization in various systems and sub-systems, which reduce role conflict to a great extent. Once the culture is developed, it virtually becomes a people's organization from a functional point of view that promotes risk-taking among managerial cadre and generates novel ideas.

Keywords: *Traits, Value system, Professionalism, novel ideas.*

INTRODUCTION - ORGANIZATIONAL CULTURE

Organizational culture is the collective behavior of people that are part of an organization. It is also formed by the organizational values, norms, working language, system, and symbols, it includes beliefs and habits it is also the pattern of such collective behaviors and assumption 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 others, with clients, and with shareholder. Organizational culture is defined as a pattern of basic assumption invented, discovered or developed or developed by a given groups, as it learns to cope with the problem of external adaptation and internal investigation that has worked well enough to be considered valid and therefore is to be taught to the new members as correct way to perceive think, and feel in relation those problems. Organizational culture is a set of shared understanding, norms, value, attitude and beliefs of an organization which can foster or impede change.

When people join an organization, they bring with them the values and beliefs that they have been taught. However these values and beliefs are insufficient for helping the individual succeed in the organization. The person needs to learn how the particular enterprise does things.

The word "culture" has been derived metaphorically from the idea of "cultivation", the process of tilling and developing land. When we talk about culture, we are typically referring to pattern of the development reflected in a society's system of knowledge, ideology, values, laws, social norms and day-to-day rituals. Since the pattern of development differs from society to society, the cultural phenomenon varies according to a given society's stage of development. Accordingly, culture varies

from one society to another requiring a study of cross-national and cross –culture phenomenon within organizations. So this study focuses on prevailing organizational culture in RELIANCE DYEING WORKS and how to improve its corporate performances through various strategies.

DEFINITION

Organizational culture is the behavior of humans within an organization and the meaning that people attach to those behaviors. According to Needle, **organizational culture represents the collective values, beliefs and principles of organizational members and is a product of such factors as history, product, market, technology, and strategy, type of employees, management style, and national culture. Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits.**

According to Wagner III and Hollenbeck have defined organizational culture as **“the shared attitude and perceptions in an organization that are based on a set of fundamental norms and values and help members understand the organization.”**

Gareth Morgan has described organizational culture as: **"The set of the set of beliefs, values, and norms, together with symbols like dramatized events and personalities, that represents the unique character of an organization, and provides the context for action in it and by it."** Beliefs and values are words that will pop up frequently in other definitions, as well. Norms might be described as traditions, structure of authority, or routines.

FUNCTIONS OF ORGANIZATIONAL CULTURE

(a) **It gives members an organizational identity:**

Sharing norms, values and perceptions gives people a sense of togetherness that helps promote a feeling o common purpose. Culture provides shared pattern of cognitive perceptions or understanding about the values or beliefs held by the organization.

(b) **It facilitates collective commitment.**

The common purpose that grows out of shared culture tends to elicit strong commitment from all those who accept the culture as their own.

(c) **It promotes systems stability.**

By encouraging a shared sense of identity and commitment, culture encourages lasting integration and cooperation among the members of an organization. It enhances social stability by holding the organizational members together by providing them appropriate standards for which the members should stand for.

(e) **It shapes behavior by helping members make sense of their surroundings.**

An organization culture serves as a source of shared meaning that explains why thing occur the way they do. Organizational culture is not fully visible but felt. At less visible level culture reflects the value shared by organizational members.

(d) **It provides a boundary:**

Culture creates distinction between one organization and the other. Such boundary defining helps identify members and non-members of the organization. Culture facilitates the generation of commitment to something larger them one’s individual self-interest. It serves as a control mechanism that guides and shapes the attitude and behavior of organizational members.

TYPES OF ORGANIZATION CULTURE

1. **Normative Culture:** In such a culture, the norms and procedures of the organization are predefined and the rules and regulations are set as per the existing guidelines. The employees behave in an ideal way and strictly adhere to the policies of the organization. No employee dares to break the rules and sticks to the already laid policies.
2. **Pragmatic Culture:** In a pragmatic culture, more emphasis is placed on the clients and the external parties. Customer satisfaction is the main motive of the employees in a pragmatic

culture. Such organizations treat their clients as Gods and do not follow any set rules. Every employee strives hard to satisfy his clients to expect maximum business from their side.

3. **Academy Culture:** Organizations following academy culture hire skilled individuals. The roles and responsibilities are delegated according to the back ground, educational qualification and work experience of the employees. Organizations following academy culture are very particular about training the existing employees.
4. **Baseball team Culture:** A baseball team culture considers the employees as the most treasured possession of the organization. The employees are the true assets of the organization who have a major role in its successful functioning. In such a culture, the individuals always have an upper edge and they do not bother much about their organization. Advertising agencies, event management companies, financial institutions follow such a culture.
5. **Club Culture:** Organizations following a club culture are very particular about the employees they recruit. The individuals are hired as per their specialization, educational qualification and interests. Each one does what he is best at. The high potential employees are promoted suitably and appraisals are a regular feature of such a culture.
6. **Fortress Culture:** There are certain organizations where the employees are not very sure about their career and longevity. Such organizations follow fortress culture. The employees are terminated if the organization is not performing well.
7. **Tough Guy Culture:** In a tough guy culture, feedbacks are essential. The performance of the employees is reviewed from time to time and their work is thoroughly monitored. Team managers are appointed to discuss queries with the team members and guide them whenever required.
8. **Bet your company Culture:** Organizations which follow bet your company culture take decisions which involve a huge amount of risk and the consequences are also unforeseen. The principles and policies of such an organization are formulated to address sensitive issues and it takes time to get the results.
9. **Process Culture:** As the name suggests the employees in such a culture adhere to the processes and procedures of the organization. Feedbacks and performance reviews do not matter much in such organizations. The employees abide by the rules and regulations and work according to the ideologies of the workplace. All government organizations follow such a culture.

LEVELS OF ORGANIZATIONAL CULTURE

According to Edgar Schein, there are three levels of culture these are discussed in the succeeding paragraphs.

- (a) **Observable artifacts of culture.**
- (b) **Share values and**
- (c) **Common assumption**

(a) **Observable artifacts of culture**

These are the symbols of culture in the physical and social work environment. These are visible and most accessible. They include organizational heroes. Employees would like to copy their behavior, work ethics and represent what an organization stands for. **Model led behavior** is a powerful tool and organization should continuously learn. They should re-in force organizational value system. **Rites and rituals** are recurring activities that are used at special times to influence the behavior and understanding of organizational members.

(b) **Shared values**

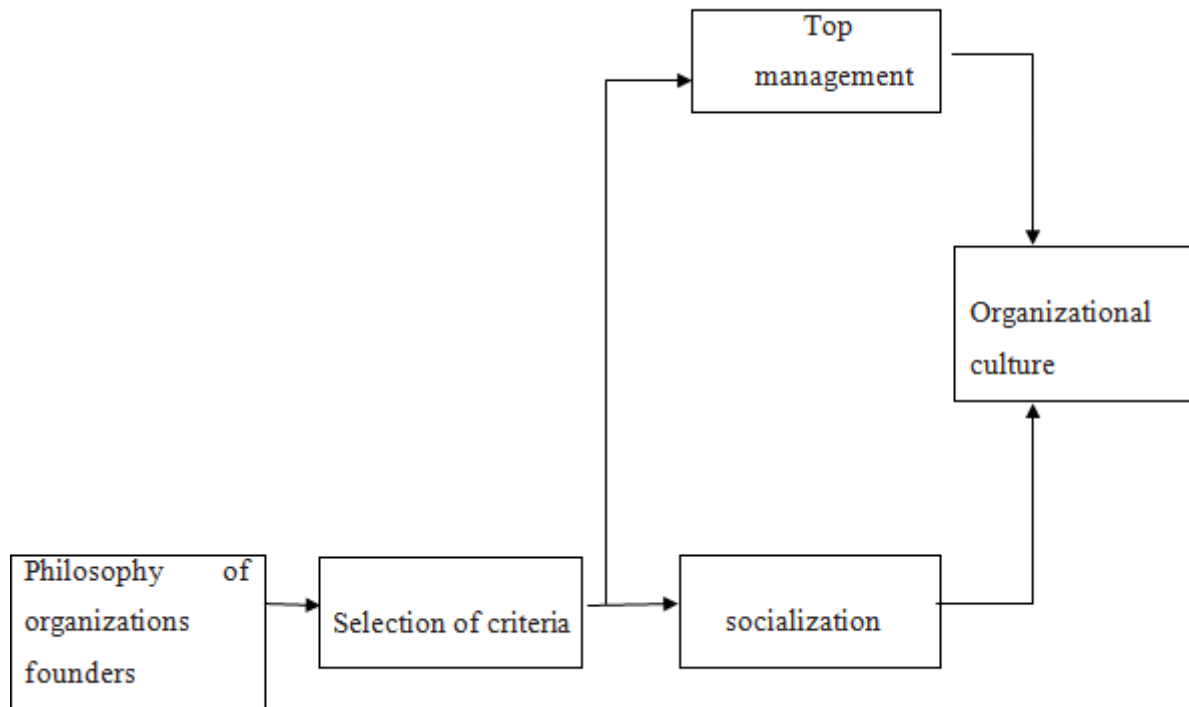
In earlier chapter we have studied two types of values, i.e. terminal values that reflect end state of existence and instrumental values. Instrumental values are means to achieve terminal values. Being hard working (instrumental value) may lead to achieve solace (Terminal value). Shared value resides at the very heart of the organizational culture.

(c) Common Assumptions

Common assumptions are fallout of shared value system and observable artifacts of culture. Employees, over a period of time form within themselves a common culture. In Bajaj Automobiles, everybody comes in time to the plant. Punctuality is therefore a common assumption that is embedded in their organizational culture. In Marti Udhog, safety is accorded a high priority. Workers health and safety in plant therefore is assumed a common assumption.

MANAGING ORGANIZATIONAL CULTURE

Once the culture is formed, it is the duty of the organization to enrich it. Management of Organizational culture is explained below in Figure



OBJECTIVES OF THE STUDY

1. To describe the element and importance of organizational culture.
2. To identify various functions of organizational culture.
3. To discuss the conditions under which cultural strength improves corporate performances
4. To discuss effect of organizational culture on business ethics
5. To identify strategies for strengthening an organizational culture

NEED OF THE STUDY

A common platform where individual work in unison to earn profit as well as a livelihood for themselves is called organization. A place where individual realize the dream of making it big is called an organization. Every organization has its unique style of working which often contributes to its culture. The beliefs, ideologies, principles and values of the organization from its culture. The culture of the workplace controls the way employees behave amongst themselves as well as with people outside the organization.

In the light of the organization culture the following questions arise:

1. Why would an organization follow healthy culture.
2. Is every individual in the organization, clear about their roles and responsibilities.
3. How should an organization. build image of the concern through culture.
4. Is culture lead the employees to healthy competition

SCOPE OF THE STUDY

It is necessary for any management to ensure that employees are satisfied with their job, for the benefits of the organization, a study on organizational culture measures help the management to understand the attitude of the employees towards their job. It tells how the people feel about their relationship with an industry, and their welfare of job. It scientifically contributes to wards employee's productivity and morale.

Every organization must have set guideline for the employees to work accordingly.

The work culture gives on identity to the organization in the words, an organization is known by its culture. the present study has made no attempt to measure the organizational culture in RELIANCE DYEING WORKS. This study has been conducted with 100 employees in the study area. This study mainly concentrates on studying organization culture by measures provided by the company, effect of organization culture on business ethics of the company. Further it helps to increase development and better satisfaction of the employees, the company must concentrate on the dissatisfied area.

REVIEW OF LITERATURE

Organizational culture is a coherent system of assumption and basic value, which distinguish one group or organization from another and orient its choices. Hence organization culture implies 'pattern of basic assumption – invented, discovered, or developed by a given group as it learns to cope with its problem of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore to be taught to new members as the current way perceive, thing, and feel relation to those problem'. According to (Schein 1989)

Organizational culture as the glue that holds organizations together a means by which participants communicate and co-ordinate their effort-and incidentally a ring fence separating insiders from outsiders. In 'an allegorical view of organizational culture' (Frost, et al.1985)

Organizational culture are created by leaders and one of the most decisive function of leadership may well be the creation, the management, and-if and when that may become necessary – the destruction of culture'. (Van Maanen 1979)

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem according to Clifford Woody research comprises defining and redefining problem, formulating hypothesis or suggested solution, collecting, organizing and evaluating data, making decision and creating conclusions to determine whether they fit the formulating hypothesis

DATA SOURCES

Primary data: Are those which are collected a fresh and for the first time and thus happen to be original in character and known as primary data. It was collected through personal interview by circulating questionnaires among employees.

Secondary data: Are those which have been collected by someone else and which have already been passed through the statistical processes are known as secondary data. It was collected from various books, magazines, journals, and company records, etc....

SAMPLE SIZE

The information collected by using questionnaire method from 100 middle and higher level employees of RELIANCE DYEING WORKS

SAMPLE TECHNIQUE

Sample design is definite plan determine before and data are actually collected for obtaining a sample technique or the produce the research would adopt in selecting items. In this study convenience sampling methods have been adopted to select respondents of the sample.

TOOLS FOR THE STUDY

In this study the following tools are used for data analysis. Simple percentage analysis, chi – square analysis, Factor analysis and Descriptive statistics are used for data analysis.

LIMITATIONS OF THE STUDY

Every study has certain limitations; some of these are inherent in the research design.

- The sample respondents of the study were restricted to 100.
- Since the data is collect through questionnaire the respondents were reluctant due to their work
- The attitude of the workers is changing in different times and situation. Hence the result of the project may be applicable at present.
- The respondent responses to the questions may be biased due to fear towards the management and also the perception of people varies always.
- The aim of the study was restricted to reliance dyeing works this study more emphasis only to employee point of view.

Factor Analysis

A sample of 100 respondents was taken for the study. The data collected for the study were classified, tabulated and processed for factor analysis which is the most appropriate multivariate technique to identify the group of determinants. Factor analysis identifies common dimensions of factors from the observed variables that link together the seemingly unrelated variables and provides insight into the underlying structure of the data. In this study Principal component Analysis has been used since the objective is to summarize most of the original information in a minimum number of factors for prediction purpose.

A Principal Component Analysis is a factor model in which the factors are based on the total variance. Another concept in factor analysis is the rotation of factors. Varimax rotations are one of the most popular methods used in the study of simplify the factor structure by maximizing the variance of a column of pattern matrix. Another technique called latent root criteria is used. An Eigen Value is the column sum of squares for a factor. It represents the amount of variance in data. After determination of the common factors, factor scores are estimated for each factor. The common factors themselves are expressed as linear combinations of the observed variables.

$$\text{Factor Model : } F_i = W_{i1}X_1 + W_{i2}X_2 + \dots + W_{ik}X_k$$

Where F_i = Estimate of the i th factor, W_i = Weight or Factor score coefficient
 k = Number of variables.

Fourteen factors are considered for measuring the marketing obstacles faced by the MSME units on a five point scale. Factor matrix and their corresponding factor loading after the Varimax rotation are presented in the table.

Factor analysis over the organizational culture and employee behavior

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.621
Bartlett's Test of Sphericity	Approx. Chi-Square	284.353
	Df	78
	Sig.	.000

In Table Bartlett’s test of sphericity and KAISER MEYER OLKIN measures of sample adequacy were used to test the appropriateness of the factor model. Bartlett’s test was used to test the null hypothesis that the variables of this study are not correlated. Since the approximate chi-square satisfaction is 284.353 which is significant at 1% level, the test leads to the rejection of the null hypothesis.

The value of KMO statistics (.621) was also large and it revealed that factor analysis might be considered as an appropriate technique for analyzing the correlation matrix. The communality table showed the initial and extraction values.

Communalities

	Initial	Extraction
Employees understand how their individual efforts contribute to business success.	1.000	.577
Management shares business strategies with all employees	1.000	.633
The management shares business results with employees.	1.000	.454
The management actively seeks feedback from clients and customers with a view to improving service.	1.000	.413
The management is disciplined with employee's performance, feedback and appraisals.	1.000	.718
The management puts a great deal of effort into hiring new employees who will fit into the organization.	1.000	.623
The management encourages and rewards specific behaviours / achievement	1.000	.539
The management is quick to deal with employee's problem	1.000	.497
The management rewards employees for business success.	1.000	.682
Employee's tenure is generally strong.	1.000	.455
	1.000	.740
Employees encourage friends and relatives into employment opportunities with.	1.000	.657
Most employees would speak very positively about the company.	1.000	.505

Extraction Method: Principal Component Analysis.

Descriptive Statistics on the various factors influencing the employee behavior

	N	Mean	Std. Deviation	Minimum	Maximum
Efficiency	100	2.8600	1.18082	1.00	5.00
Involvement	100	3.1300	1.26854	1.00	5.00
Loyalty	100	2.3800	1.22086	1.00	5.00
Discipline	100	2.9700	1.16736	1.00	5.00
Inter personal relation	100	3.0300	1.45265	1.00	5.00

INFERENCE:

Table 3.31 presents the various factors which influence the behavior of the employees . The various factors considered for the study were 1. Efficiency 2. Involvement 3. Loyalty 4. Discipline 5. Inter personal relation . from the table it was understood that the first rank has been secured by the factor Involvement and it is well revealed that because of the good involvement showed by the employee in his work the organization culture has improved so well with a mean value of 3.13, followed by the factor Inter personal relation has secured the second rank with a mean value of 3.03, the discipline factor has secured the third rank with a mean value of 2.97, and the factors of efficiency and loyalty has secured the fourth and fifth rank with a mean value of 2.86 and 2.38 respectively.

Ho: There is no significant difference between the demographic factors and the opinion towards the interpersonal relations carried with the co – worker.

S.No	Demographic factor	Chi square value	DF	significance value	Result
1	Gender	3.16	1	.000	Accepted
2	Marital status	7.84	1	.000	Accepted
3	Age group	3.96	3	.000	Accepted
4	Monthly Income	4.88	3	.000	Accepted
5	Experience	6.16	3	.000	Accepted
6	Department employed	6.50	3	.000	Accepted

5% level of significance

As the significance value s lower than .005 at percent level of significance the hypothesis is accepted and it is proved that there is no significant difference between the demographic between the

demographic factors of the employees and the opinion towards the interpersonal relations carried with the co – worker.

FINDINGS

- From the percentage analysis it is found that majority that of the worker (78%) are male category.
- Study shows that highest(64 %) of the employees are married.
- It is found that more number of employees (48 %) fall between the age group of (26-35).
- Analysis project that more than half (50 %) of the employees are earning Rs.10000-Rs.15000.as income
- It is found from the analysis that (35 %) of the employees are having 2-4 year experience.
- From the analysis most of the employees (32%) working Administration & Finance department.
- According to two way table analysis it is inferred that out of 22 female respondents (63.63%) have opined that they were not involved in the decision making of management,
- It is inferred from the two way table analysis the association between the gender of the respondents and the opinion of the management in providing opportunity to improve skill, (i.e) highest female category employees viewed as management providing opportunity to improve skill.
- It is understood that majority of the male category employees stated that the organization has a clear business and operational objectives.
- It is noted that the level of satisfaction of supervisory roles in the organization male category perceived as the maximum level of satisfaction
- It is conducted from the analysis that majority of the married category employees are accepting the suggestion given by the management.
- It I found that above 45 years aged respondents have opined that they are involved in discussing important matters with the management.
- Thus the analysis reveals that above 45 years aged people accepting the organization is giving opportunity to improve their skill.
- It is inferred that the maximum of 26-35 years of employees opined that the organization has a clear business and operational objectives.
- Thus it is concluded that 26-35 years age group have clear idea about the organizational goal.
- It is clear from the Table(3.10) that the female category employees are clear in organizational goal.
- It is found that the age group of 36-45 years of employees satisfied with their supervisory role.
- It is understood from the analysis that both the age group of 36-45 years and above 45 years opined that they are accepting the suggestions given by their management.
- From the factor analysis study is divided as 12 factors and then clustered into three group as management and employee togetherness, confidence approach of the management and job confidence. It is clear that the management is very much associated with welfare of the employees.
- From the descriptive statistics analysis it is revealed that majority of the employees giving importance to involvement of work than other behaviors.
- It is stated that there is no significant difference between demographic factors and opinion towards the interpersonal relations with co-worker.

SUGGESTIONS

- ❖ The study has revealed that only 22% of the respondents belong to female category so, it is be improved

- ❖ Make female employees to be involved in decision making of the management
- ❖ The organizational goals and policies should be will informed to all the categories of employees
- ❖ In order to bring loyalty and develop interpersonal relationship with co-worker the concept of co-workers participation management to be implemented
- ❖ The salary level should be enhanced to high according to the cost of living
- ❖ Fringe benefits may be availed to the employees who are rendering long service to the organization.
- ❖ In order to retain the positive image on the organization by the employees proper retaining strategy to be adopted.
- ❖ Prevailing culture should be maintained without any compromise in future.

CONCLUSION

This study made attempt to analysis the organization culture and its impact on employee behavior. The organization culture in respect of Reliance dyeing works is generally good. They are concentrating more on the total employee welfare. Further it is proved that human resources are wealth of the concern it should be retained forever. Because of employees considered in making important decision and policy formulation. In such a way to bring loyalty, involvement, motivation, commitment and discipline. This is sufficient for sound organization to develop team spirit among the employees.

In spite of the above, the management is following the strong culture that they does not sending the employees out of the work and employees out of the work and employees have to stay for longer period with the organization to reap various benefits.

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