AN EMPIRICAL STUDY ON ORGANIZATION CULTURE AND ITS IMPACT ON EMPLOYEE MOTIVATION WITH REFERENCE TO INDUSTRIAL ESTATES IN CHENNAI

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Abstract: *The attainment and improvement of an organization depends on how effectively and efficiently does the employee perform. Culture is the behavior of humans within an organization and the meaning that people attach to those behaviors. This paper seeks to explore the relationship between organization culture and employee motivation. It was hypothesized that impact of organizational culture does not differ significantly across the organization as perceived by the employees working in the organization. Researcher tries to develop the organizational culture variable that affects the employees for enhancing work motivation. 229 respondents working with industrial estates in Chennai district of Tamil Nadu state were surveyed. There was evidence to suggest that there is significant difference in the mean of organizational culture factor across the organizational outcome as perceived by the employees. Hence appropriate organizational culture variable should be promoted in the organization to enhance the employee motivation.*

Keywords: *Organization culture, employee motivation, industrial estates, employee productivity.*

INTRODUCTION

Employees are the basic building blocks of an organization. The victory and development of an organization depends on how effectively and efficiently does it employee performs and culture is a means through which employees discover and correspond what is suitable or undesirable in an organization in the light of values and norms. Culture can be found in any organization, no matter how small or large the organization could be. Organization culture can be how management relates to its employees, were communication is open or closed or if employees are given autonomy or recognition for their achievements. It sets a framework within which individual and group behavior takes place. Organization culture match what the individual needs to be successful in a particular work environment. Organizational culture is the vital aspect of successful organization. There must be a positive culture to attract and retain loyal and committed employees, which, in turn, can strengthen relationships with customers and other partners. Just like

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any other asset, organizational culture must be monitored and nurtured to ensure that it reflects the organization and its vision. Motivation is the key component of organizational culture. Organizational culture plays a significant role in an organization regarding how people feel about their work, levels of motivation, commitment, and in turn job satisfaction. Performance is the extent to which an individual's action or process of performing a task or function. Job performance reviews are often done yearly and can determine raise eligibility, whether an employee is right for promotion or even if an employee should be fired.

The research paper aims to study the impact of organization culture on employee motivation in Chennai region of Tamil Nadu state. The present study focus on assessing organization culture and its impact by studying the demographic profile of respondents as well as their perception of various organizational culture variables in the industrial estates of Chennai.

RATIONAL OF THE STUDY

Organization needs the valuable employees to act according to the circumstances, pursue the results, neither postponing the solution of issues nor multiplying bureaucracy. Organizational culture can be either weak or strong. Martins and Martins (2003, p 382) highlight that "in a strong culture, the organisation's core values are held strongly and shared widely". This suggests that when organizational members accept the shared values, they become more committed to them. A strong organizational culture therefore refers to organizations in which beliefs and values are shared relatively consistently throughout an organization (Deal & Kennedy, 1982).

Strong organizational cultures have a great influence on the behavior of organizational members (Martins & Martins, 2003). In other words, a strong culture is a powerful lever for guiding behavior (Deal & Kennedy, 1982). Brown (1998, p 226) also believes that strong organizational culture can enable an organization to achieve high performance based on the following reasons:

- A strong organizational culture facilitates goal alignment.
- A strong organizational culture leads to high levels of employee motivation.
- A strong organizational culture is better able to learn from its past.

In relation to the above benefits of a strong organizational culture, Martins and Martins (2003, p 382) states that "one specific result of a strong culture should be a lower employee turnover". This is due to the fact that when organizational members agree about what the organization stands for, the end results are cohesiveness, loyalty and organizational commitment (Martins & Martins, 2003).

A weak culture, on the other hand, means the opposite of a strong culture, in other words, organizational members do not subscribe to the shared beliefs, values and norms (O'Reilly *et al.*, 1991). Organizational members in a weak culture find it difficult to identify with the organization's core values and goals (Wilson, 1992). As a result components or different departments within such an organization uphold different beliefs that do not necessarily address the core goals of the organization. Weak cultures have a negative impact on employees because they are directly linked to increased turnover (Harrison, 1993). In essence, the fundamental strength of the organization's culture is determined by how weak or strong it is. A strong organizational culture could be one were the majority of the participants hold the same basic beliefs and values as applies to the organization. The people in this group may follow the perceived rules and ethical procedures that are basic to the organization, even if those values are not publicly stated by the organization. This can be extremely valuable for building a team where all the participants have the same goals. Working together to improve efficiency or, possibly, communication with management could be some of the goals. This could also be detrimental to the company if the rules and regulations become more important to the participants than the actual goals of the company. New people joining the company are consciously of unconsciously indoctrinated into the existing culture, making innovation hard to come by. Motivation is an important factor which brings employees satisfaction. This can be done by keeping into mind and framing an incentive plan for the benefit of the employees. Every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work. This will help the enterprise in securing best possible utilization of resources.

Scholarly interest in organizational culture is proof by the level of attention it has received over the last few decades. The relationship between organizational cultures, motivation has been the subject of abundant research in several fields, including strategic management, organizational behavior, and industrial organization. While this topic is rich in studies, many researchers concur on the fact that there is no agreement on the precise nature of the relationship between corporate culture, motivation. Despite the plethora of studies on organizational culture in the last few decades, there is no widely accepted casual relationship between organizational culture and motivation. The empirical evidences emerging from various studies about the impact of organizational culture on motivation have so far yielded mixed results that are inconclusive and contradictory. Because of these contradictory results, the question of whether organizational culture improves or worsens employees motivation is still worthy of further research such as the one being under worth in this study.

LITERATURE REVIEW

Brown (1998, p 2) states that "current interests in organisational culture stems from at least four different sources: climate research, national cultures, human resource management and from conviction approaches which emphasize the rational and structural nature of the organisation to be unable to offer a full explanation of organisational behavior". Brown (1998, p 9) defines organisational culture as "the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organisation's history, and which tend to be manifested in its material arrangements and in the behaviours of its members". This suggests that organisational culture is articulated in the organisation, in order to shape the way in which organisational members should behave. Brown (1998, p 9) defines organizational culture as "the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organisation's history, and which tend to be manifested in its material arrangements and in the behaviours of its members". This suggests that organisational culture is articulated in the organisation, in order to shape the way in which organisational members should behave.

Power-oriented Culture

Power-oriented culture is a dimension of the organisational culture model. In any given organisation there is a need to use power in order to exercise control and influence behaviour. Brown (1998, p 66) states that "a power culture has a single source of power from which rays of influence spread throughout the organisation".

Role-oriented Culture

Harrison and Stokes (1992, p 15) define role-oriented culture as "substituting a system of structures and procedures for the naked power of the leader". This type of culture focuses mainly on job description and specialisation. In other words, work is controlled by procedures and rules that spell out the job description, which is more important than the person who fills the position (Harrison, 1993). These roles or job descriptions are coordinated at the top by a narrow band of senior management. The common link between the power oriented and role oriented organizational cultures is that they depend on the use of external reward and punishment to motivate organizational members.

Achievement Culture

Achievement culture is often referred to as task culture, which entails that organizational member's focus on realizing the set purpose and goals of the organization. Harrison and Stokes (1992, p 17) define achievement-oriented culture as "the aligned culture which lines people up behind a common vision or purpose".

Stander (2003, p 199) states that the advantage of team, rather than individual, "job is creating, the high performance, high flexibility and high commitment organization".

Support-oriented Culture

Support-oriented culture dimension differ from the achievement-oriented culture which emphasizes teams, because promotes individuals as the central point in the organization. Harrison and stokes (1992, p 20) define support-oriented culture as an "organizational climate that is based on mutual trust between the individual and the organization". The support-oriented culture resembles the people orientation characteristic of organizational culture.

FUNCTIONS OF ORGANISATIONAL CULTURE

The main function of organizational culture is to define the way of doing things in order to give meaning to organizational life (Arnold, 2005).

Organizational culture also determines organizational behavior, by identifying principal goals; work methods; how members should interact and address each other; and how to conduct personal relationships (Harrison, 1993).

Brown (1998, p 89- 91) states the following functions of organizational culture:

- Conflict reduction. A common culture promotes consistency of perception, problem definition, evaluation of issues and opinions, and preferences for action.
- Coordination and control. Largely because culture promotes consistency of outlook it also facilitates organizational processes of co ordination and control.
- Reduction of uncertainty. Adopting of the cultural mind frame is an anxiety reducing device which simplifies the world of work, makes choices easier and rational action seem possible.
- Motivation. An appropriate and cohesive culture can offer employees a focus of identification and loyalty, foster beliefs and values that encourage employees to perform.
- Competitive advantage. Strong culture improves the organization's chances of being successful in the marketplace.

STRONG AND WEAK ORGANISATIONAL CULTURES

Organizational culture can be either weak or strong. Martins and Martins (2003, p 382) highlight that "in a strong culture, the organization's core values are held strongly and shared widely". Strong organizational cultures have a great influence

on the behavior of organizational members (Martins & Martins, 2003). A weak culture, on the other hand, means the opposite of a strong culture, in other words, organisational members do not subscribe to the shared beliefs, values and norms (O'Reilly *et al.*, 1991). Organisational members in a weak culture find it difficult to identify with the organization's core values and goals (Wilson, 1992). As a result components or different departments within such an organization uphold different beliefs that do not necessarily address the core goals of the organization.

Objectives of the Study and Methodology

This study seeks to explore relationship between organization culture and its impact on employee motivation. The objective of the study was to study the organization culture as perceived by the employees working in industrial estates. Another objective was to study the impact of organization culture on employee motivation. Researcher tries to develop the organizational culture variable construct that affects the employee motivation. For this 229 respondents working with companies in industrial estates of Chennai district of Tamil Nadu state were selected for the sample. In order to collect the data for this study, the survey questionnaire method was adopted. An interview schedule was also developed based on the analysis of the responses in the survey questionnaire. The questionnaire and interview schedule were validated to ensure that the instruments were appropriate for their purposes. The reliability of the questionnaire was 0.876 indicating that the questionnaire would measure what it was purported to measure. Before the questionnaire was distributed to the sample, it was piloted on twenty five students to obtain feedback on the clarity of the items. A few minor errors was detected. After the errors were corrected, the questionnaire was administered to the sample. The responses to these parameters were gathered, coded, tabulated and analyzed. To test the hypothesis various statistical techniques like mean, standard deviation, factor analysis and correlation test and ANOVA was applied.

Although organizational culture had been the subject of social science but its managerial application called the intense concern of industrial leaders and managers. Organizational culture values varied significantly among the firms. The variation in cultural values newly hired employees voluntarily terminated employment. The relationship between the employee's motivation and their retention also varied significantly with organizational culture values. The cultural effects were stronger than the combined exogenous influences of the labour market and the new employee's demographic characteristics. Implications for research on person-organization fit are discussed. The study reveals that sample is dominated by those respondents who are associated since last ten years from the industries.

Factor Analysis

Factor analysis is a method of data reduction. It does this by seeking underlying unobservable variables that are reflected in the observed variables. The purpose of factor analysis is to discover simple patterns of relationships among the variables. In particular, it seeks to discover if the observed variables can be explained largely or entirely in terms of a much smaller number of variables called factors. In our case suppose each of 229 employees, who are all familiar with different kinds of organizational culture factor motivating him to enhance their performance, rate of which 15 variables on the question. We could usefully ask about the number of dimensions of which rating differ.

In order to accurately capture the respondent's perception reliability analysis is carried out. so first reliability analysis was carried out with the help of reliability test here, the reliability is shown to be good using all 15 items because alpha is 0.916.(Note that a reliability coefficient of .60 or higher is considered "acceptable" in most social science research situations).

ANALYSIS AND DISCUSSION

Understanding organizational culture and its relationship with employee motivation has been of major interest for social as well as managerial organization. Most of the operational decisions are employee's perception towards organizational culture. These decisions are also influenced by exogenous factors such as economic conditions and government policies, and market interaction among their major stake holders. The empirical study indicates employee retention and job motivation based on their own personnel attributes such as age and education and their professional aspiration as well as, well as organizational structure, infrastructure and its past performance. Company designs their work structure to optimize their performance. Keeping these into consideration, an attempt was made to assess the issues related to organizational culture and its impact with employee motivation. For this employees were asked to give their views on a rating scale on the following statements such as

For this purpose, respondents were asked to rate the various statement on a scale of 1 to 4 in order to their preference. The exploratory factor analysis was used in order to identify the various elements of organizational culture and its various elements with motivational issues. Principle component analysis was employed for extracting factors and orthogonal rotation with varimax was applied.

After comparing the mean one way ANOVA was carried out to test the hypothesis that impact of organizational culture factor does not differ significantly across the organization outcome as perceived by the employees working in the companies. From the table it is clear that calculated value of F is greater than the tabulated value of F (2.37) at ($p<0.05$) level of significance in the case of all the

factors under consideration. Hence null hypothesis is rejected indicating that there is significance difference in the mean of different organizational cultural factor across the organizational outcome as perceived by employees. To conclude, it can be said that organizational culture has emerged as one of the most important factor which need to be looked after carefully. The success and growth of the origination depends on how effectively and efficiently does it employees perform and culture is a means through which employees learn communicate what is acceptable in an organization in the light of its values and norms. It is seen that significant difference exist in the mean of different organizational culture factor across the organizational outcome as perceived by the employees. The different organizational culture factor like organization openness in managing diversity, policy of promoting innovation and change management, policy of evaluation of strategic plan should be analyzed carefully and promoted in the organization to enhance the employee's motivation.

CONCLUSION

Organization culture is an observable, powerful force in any companies. It is made up of by members' shared values, beliefs, symbols, and behaviors. Culture guides individual decisions and actions at the unconscious level. As a result, it can have a potent effect on a company's well being and success. It's also important to note that within a company, culture is not uniform. Various subcultures will exist in departments or teams — some even contradicting the overall organization's culture. By looking at culture and subculture throughout an organization, managers can begin to structure solutions to the work styles they will support. By starting with a meaningful cultural assessment, planners can resolve complex and often competing issues with creative, constructive solutions that benefit team members that enhance motivation and improve business performance.

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