Blend of Organizational Cultural and Organizational Commitment

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Abstract: Organizational culture and commitment have considerable importance in industrial and organizational psychology. Organizational culture is increasingly understood as a critical element in the creation of high performance workspaces. To date, the literature examining the relationship between corporate culture and employees' workplace attitudes has been mainly anecdotal. There is broad agreement, that organizational culture provides the 'social glue' that gives organizations coherence, identity and direction. *Research* work in the field of organizational culture and commitment is very limited in Indian industry. A number of researchers have already acknowledged the poverty of empirical studies in the area of culture. There are very few researches done to explore the differences in organizational culture and commitment of Indian managed and foreign managed IT firms. There is both practical and theoretical significance of conducting a research study of this nature. The potential gains that can be realized if the employer -employee relationship is improved within the IT firms represent the practical significance of this study.

Key words: Organisational Culture · Organisational Commitment · Employee Engagement · Cultural Diversity · Organizational Vitality

INTRODUCTION

Organizational culture and commitment have considerable importance in industrial and organizational psychology. Culture is a coherent system of assumptions and basic values, which distinguish one group or organization from another and orient its choices. Organizational culture is increasingly understood as a critical element in the creation of high performance workspaces. A company's prevailing values, attitudes, beliefs, artifacts and behaviors all comprise its culture and help to create a sense of order, continuity and commitment. Not only does the corporation as a whole have a culture, but also it commonly contains numerous subcultures. Understanding culture at both levels is important because one workspace design will not necessarily best support differing work cultures.

Schein (1996) [1] claimed that organizational culture are created by leaders and one of the most decisive functions of leadership may well be the creation, the management and - when that may become necessary- the destruction of culture'. Outstandingly successful organizations usually have strong and unique cultures.

Unsuccessful organizations have weak, indifferent sub-cultures or old sub-cultures that become scleroses and can actually prevent the organization's adaptation to changed circumstances' (Hofstede, 1984) [2].

Organizational commitment has been defined as 'the strength of an individual's identification with and involvement in a particular organization, characterized by:

- a strong belief in and acceptance of an organization's goals and values;
- willingness to exert considerable effort on behalf of the organization;
- a definite desire to maintain organizational membership'.

These three dimensions refer to what has been described as normative, affective and continuance commitment.

Link Between Organisational Culture and Commitment: To date, the literature examining the relationship between corporate culture and employees' workplace attitudes has been mainly anecdotal. In previous work, there seems

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to be a general understanding regarding the type of corporate culture values and activities that contribute to the development of "business excellence."

There is broad agreement, that organizational culture provides the 'social glue' that gives organizations coherence, identity and direction. It is most frequently conceived of as a set of shared values and symbolic elements that provide a common meaning frame by which organizational members interpret and make sense of the organizational world they occupy and that this guides their thinking, feelings and behaviors.

Statement of the Problem: Research work in the field of organizational culture and commitment is very limited in Indian industry. There are very few researches done to explore the differences in organizational culture and commitment of Indian managed and foreign managed IT firms.

Organisation members use the concept of culture very frequently in their day-to-day life. When probed deeply for its meaning, methods of assessing it, forms of its manifestation, managers lack knowledge of it. A number of researchers have already acknowledged the poverty of empirical studies in the area of culture. (Schneider, 1990; Hofsteds, 1998) [3].

Need for the Study: There is both practical and theoretical significance of conducting a research study of this nature. The potential gains that can be realized if the employer-employee relationship is improved within the IT firms represent the practical significance of this study.

- The theoretical significance of this study is that there are very limited researches on organizational culture and commitment for IT industries especially in both Indian and Foreign managed IT firms. Thus, these results will also facilitate knowledge-based recommendations that can be employed to better meet the expectations of the employees.
- Combining the curiosity of understanding the changes in organizational culture with how it affects employees would enable in gaining a better understanding of the effects of organizational culture on employee commitment.
- By comparing the results of this study with other research endeavours that have measured organizational commitment, some unique commitment characteristics may be observed for those people

working in both Indian and foreign managed IT firms. Therefore, for the first time, this kind of research will reveal organizational culture and commitment that may differ from Indian or foreign managed IT firms.

Objective and Hypothesis of the Study: To examine the effect of organizational cultural dimensions on organizational commitment.

H_0: There is no significant relationship between organizational cultural dimensions on organizational commitment.

Scope and Delivarables of the Study: The scope of this study revolves around the following:

- The findings of this study will offer a foundation for considering cultural change programs as a means of OD intervention.
- This will also contribute to IT industry to improve their quality of work life, employee commitment and reduce attrition.
- This study will also help policy and decision makers to identify difference in culture and commitment levels of employees so that decisions can be made to improve their efficiency, loyalty and motivation level.
- To industrial analysts and onlookers, this provides valuable solutions for solving complex psychological issues that arrive due to culture and commitment difference.

Review of Literature: It was presumed that organizational culture influences employees' sense of engagement, identification and belonging. Such sentiments might reasonably be expected to impact on commitment.

Sommer (1995) [4] also demonstrated a significant interaction between affective and continuance commitment, such that employees with high affective and low continuance commitment were most likely to remain in the organization. This interaction suggests that feelings of sunk-costs from high continuance commitment can negate the positive effect of affective commitment on retention.

Conversely, Jaros (1997) [5] did not find evidence of a significant interaction between affective and continuance commitment in the prediction of turnover intentions. These inconclusive findings made it necessary

to continue studying the important influences organizational commitment components may have on one another.

Gbadamosi (2003) [6] associated commitment with identification, involvement and loyalty to ones organization, as well as a feeling of obligation to stay with ones organization. In this regard, Armstrong (2003) [7] argued that commitment is about identification with the goals and values of the organization, which manifested as a craving to belong to the organization and the associated readiness to display effort on its behalf.

In this study, we have adopted the concise definition of workers' commitment given by Meyer *et. al.*, (1993) [8] is adopted in which commitment is viewed as "a psychological state that (a) characterizes the employee's relationship with the organization and (b) has implications for the decision to continue or discontinue membership in the organization". According to Gbadamosi (2003) [9], this view of commitment, which determines the likelihood that an organizational member will leave does not only propose a definition of commitment, but also its measurement.

The possible causes of employees' resignation can be traced from organizational commitment (Steers, 1997) [10]. Organizational commitment was deeply influenced by the leadership style of managers, therefore, the leadership style of a manager was able to affect subordinates' organizational commitment and organizational commitment was related to a person's service attitude, passion and willingness to work (Chen, 1995) [11].

MATERIALS AND METHODS

Selection of Study Area: Information Technology in India accounts for a substantial part of the country's GDP and export earnings while providing employment to a significant number of its tertiary sector workforce. The most prominent IT hubs are IT capital Bangalore and presently growing Chennai. Technically proficient immigrants from India sought jobs in the western world from the 1950s onwards as India's education system produced more engineers than its industry could absorb. India's growing stature in the information age enabled it to form close ties with both the United States of America and the European Union. Hence, the Chennai city has been selected purposively for the present study.

India's abundant, high quality and cost effective services and its vast resource of skilled software human power have made it an attractive location for global software clients. There has been a steady growth in the number of India's IT professionals over the last decade. From a base of 6800 knowledge workers in 1985-86, the number increased to 5,22,000 software and services professionals by the end of 2001-02. It is estimated that out of these 5,22,000 knowledge workers, almost 1,70,000 are working in the IT software and services export industry; nearly 1,06,000 are working in the IT enabled services and over 2,20,000 in user organizations.

According to NASSCOM-McKinsey Report 2008 the offshore IT and BPO industries directly employ around 9,00,000 professionals and provide indirect employment to approximately 2.5 million workers.

Sampling Procedure: Among the different IT hubs in Tamil Nadu, Chennai city has been purposively selected for the present study. The lists of IT firms in the city are classified into Indian managed and Foreign managed IT firms. The foreign managed firms namely IBM, CTS, Accenture, Oracle, HP and Polaris and the Indian managed firms namely Infosys, HCL, Wipro, TCS, Satyam and Saskan were randomly selected. The employees from both Indian managed and foreign managed IT firms were again selected for the present study by adopting stratified random sampling technique.

Instrument: The respondents from both Indian and foreign managed IT firms were selected for the present study by adopting stratified random sampling technique through pre-tested, structured, direct interview method.

Sample Size: 200 employees from Indian managed IT firms and 200 employees from foreign managed IT firms were selected. Thus, totally 400 employees were selected for the present study.

Statistical Techniques: Multiple Regression technique was employed separately for Indian and foreign managed IT firms. In order to examine the effect of organizational cultural dimensions on organizational commitment, the multiple linear regression analysis by Ordinary Least Square (OLS) estimation has been applied for identified variables.

Table 9.1: Regression Estimates of the Variables Influencing Organizational Commitment

Growth Determinants	Regression Coefficients	t-value	Significance
Intercept	28.451**	22.828	.000
Interaction	.399**	2.114	.036
Problem	-.035	-.220	.827
Support	-.038	-.238	.812
Adopt	.167	1.063	.289
Independent actions	.262**	2.069	.040
Team	-.110	-.691	.490
Innovative	-.015	-.100	.920
Share	-.061	-.456	.649
Analyse	.311**	2.173	.031
Contact	-.222	-1.570	.118
Doing things	-.148	-1.092	.276
Encourage	.249	1.848	.066
Help	.120	.846	.399
Discussion	.024	.176	.861
Trust	.032	.224	.823
Mistakes	.131	.936	.350
Obey	.128	.873	.384
Concerned	.220	1.595	.113
Feedback	-.258	-.337	.736
Problem pass	.237	.281	.779
Truth	.000	-.008	.994
Prevention	.206	1.288	.200
Freedom	-.031	-.249	.804
Accountability	.090	.710	.479
Organisational vitality	-.095	-.733	.465
Communication	.382**	2.679	.008
Appear	-.050	-.409	.683
Time	-.121	-.787	.433
Autonomy	.238	1.561	.121
R^2	0.48		
Adjusted R^2	0.23		
F	1.643		0.028
N	200		

Note: ** indicates significance at one per cent level

Table 9.2: Regression Estimates of the Variables Influencing Organizational Commitment

Growth Determinants	Regression Coefficients	t-value	Sig.
Intercept	38.577**	31.826	.000
Interaction	.056	0.187	.852
Problem	-.059	-0.256	.798
Support	.102	0.426	.671
Adopt	.360	1.716	.088
Independent actions	.639**	2.987	.003
Team	-.293	-1.262	.209
Innovative	.245	1.041	.299
Share	.073	0.352	.725
Analyse	-.330	-1.499	.136
Contact	-.046	-0.207	.836
Doing things	-.083	-0.401	.689
Encourage	.128	.582	.561
Help	-.223	-1.037	.301
Discussion	.182**	2.873	.004
Trust	-.059	-.239	.811
Mistakes	-.590**	-2.352	.020
Obey	.246	1.055	.293
Concerned	.254	1.242	.216
Feedback	.041	0.180	.857
Problem pass	-.300	-1.455	.148
Truth	-.097	-0.519	.604
Prevention	-.102	-.o380	.704
Freedom	.193	1.057	.292
Accountability	.681**	3.299	.001
Organizational vitality	.167	.783	.435
Communication	-.298	-1.198	.233
Appear	.567**	2.755	.006
Time	-.209	-0.906	.366
Autonomy	-.051	-0.232	.816
R^2	0.54		
Adjusted R^2	0.17		
F	2.395		0.000
N	200		

Empirical Results:
Effect of Organizational Cultural Dimensions on Organizational Commitment

H_0: There is no significant relationship between organizational cultural dimensions on organizational commitment.

The effect of organizational culture dimensions on organizational commitment has been analyzed by applying the multiple regression analysis and the results are presented in Table 9.1.

The co-efficient of multiple determinations (R^2) is 0.48 indicating the goodness of fit of the model and F-value is 1.643, significant at five per cent level. The partial regression coefficients of interaction,

independent actions, analyse and communication are significant at one percent level of significance. These factors positively influence the commitment of the employees in Indian managed IT firms.

Effect of Organizational Cultural Dimensions on Organizational Commitment:

H_0: There is no significant relationship between organizational cultural dimensions on organizational commitment.

The effect of organizational culture dimensions on organizational commitment has been analyzed by applying the multiple regression analysis and the results are presented in Table 9.2.

The co-efficient of multiple determination (R^2) is 0.54 indicating the goodness of fit of the model. The F-value is 2.395 statistically significant at five per cent level. The regression coefficients of independent actions, discussion, accountability and appear are significant at one per cent level and these factors are positively influencing the organizational commitment while mistakes is negatively influencing the organizational commitment.

RESULTS

Culture research has moved a long way from its original descriptive approach given by anthropologists to diagnostic and curative approach of contemporary behavioural scientists including management scientists. Management of culture has emerged as a very significant area of research and application. It is presumed that organizational culture influences employees' sense of engagement, identification and belonging. Such sentiments might reasonably be expected to have impact on commitment.

This study was initiated with an idea to understand the organisational behaviour pattern of IT employees. Subsequently it narrowed down to understand the organisational culture and commitment of IT professionals in Indian and foreign managed firms in Chennai.

- The co-efficient of multiple determinations (R^2) is 0.48 indicating the goodness of fit of the model and F-value is 1.643, significant at five per cent level. The partial regression coefficients of interaction, independent actions, analyze and communications are significant at one per cent level of significance. These factors are positively influencing the commitment of the employees in Indian managed IT firms.
- The co-efficient of multiple determination (R^2) is 0.54 indicating the goodness of fit of the model. The F-value is 2.395 statistically significant at five per cent level. The regression coefficients of independent actions, discussion, accountability and appear are significant at one per cent level and these factors are positively influencing the organizational commitment while mistakes is negatively influencing the organizational commitment in the foreign managed IT firms.

Hence, there is significant relationship between organizational cultural dimensions on organizational commitment.

Discussions and Implications from the Study:

- The cultural dimension of independent action is the only dimension positively influencing the organizational commitment in both the Indian and Foreign managed IT firms.
- The cultural dimension of obey is negatively influencing the organizational commitment in Foreign managed IT firms.

CONCLUSION

Organizations are beginning to make meaningful advancements towards "growing" loyal employees. There is never an ideal time to conduct an investigation on employee commitment within any organization. There is always something occurring that could cause negative commitment levels to be reported. This type of mindset is common among many organizations. However, the information that can be gained, whether positive or negative, should be embraced by managers because it provides an opportunity to improve relationships between the employer and the employee.

This study was conducted in the IT firms, taking samples from Indian and foreign managed IT firms. Its findings may have relevance to other types of organisations like academics institutions, service organisations, voluntary agencies etc. Companies in various industries or countries have divergent interpretations in different constructs. It would be very interesting to perform comparisons and obtain further findings.

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