



## **Impact of organizational culture on employee motivation and engagement: A study with special reference to It industry**

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### **Abstract**

Organizations grow with human resources and become best with time, through effective functioning with positive culture and employee wellbeing. Organizational culture and organizational climate set a frame work and promote the effective beliefs and values influencing behaviour. The internal working environment of every organization has certain commonly perceived psychological characteristics or traits which are collectively called its climate or culture or. Organization's culture and Climate mainly focuses on the level of employee satisfaction and dissatisfaction, considering the performance of the employees, which results in major impact on motivation, engagement and job satisfaction of individual employees. Organizational climate, therefore affects productivity, motivation and employee behaviour. This paper tries to evaluate the influence of organizational culture and climate in employee motivation and their engagement.

**Keywords:** Employee motivation, organizational culture, IT industries

### **Introduction**

The core identity of an organization is formed with a set of values, beliefs, and behaviour patterns which can be termed as Organizational culture. It is the specific collection of values and norms that are shared by the people and groups in an organization and that control the way the employees interact with each other and with stake holders outside the organization and is also essentially a learned set of responses of constituent individuals and groups to the organization environment, tasks and problems. It shapes attitudes and behaviors among people in wide-ranging and durable ways and when properly aligned with personal values, drives, and needs, it can unleash tremendous amounts of energy toward a shared purpose and foster an organization's capacity to thrive. Organizational climate on the other side is the recurring patterns of behavior, attitudes and a multidimensional construct that encompasses a wide range of individual evaluations of the work environment. Organizational cultures and Organizational climate has a potentially rich, but widely unrealized and invisible role in the development of an organization as well as to raise the motivation among employees and stimulate them. Brown and Brooks (2002, p. 330) describe climate as the "feeling in the air" and the "atmosphere that employees perceive is created in their organizations due to practices, procedures and rewards." Based on these clauses, obviously the individual view of employees in the organization affects the climate. Climate factors like recognition, competency, environment, team work, management effectiveness, involvement, reward and commitment all these lead to job satisfaction and motivation.

Thus culture and climate are held to influence attitudes in the workplace. Power-oriented culture emphasize upon competitive, responsive to personality rather than expertise. People-oriented culture put pressure on consensual and rejection of management control rejected. Task-oriented culture focus on competency, dynamism. Role-oriented

focus on legality, legitimacy and bureaucracy. Constructive cultures are characterized by organizational norms to achievement and motivation self- actualization and being humanistic and supportive. It helps the staff to meet their higher order satisfaction needs. Defensive cultures encourage or implicitly require interaction with people in ways that will not threaten personal security (Hellriegel *et al*, 1974; Meglino, 1976, Koys and Decotis and cooke and Szumal 2000) <sup>[4]</sup>. The attributes of organizational climate have been thought to promote job satisfaction and increase motivation at individual level and organizational levels.

### **Review of Literature**

Organizational culture includes an organization's expectations, experiences, philosophy, as well as the values that guide member behavior, and is expressed in member self-image, inner workings, interactions with the outside world, and future expectations. Organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. Also, organizational culture may influence how much employees identify with their organization (Schrodt, 2002). Organization's norms and values have a great impact on those who are fully devoted to the organization. (Stewart, 2010) <sup>[11]</sup>. organizational climate as a set of characteristics that describes an organisation, distinguishes it from other organizations, is relatively enduring over time and can influence the behaviour of people in it (Forehand and Gilmer, 1964) <sup>[3]</sup> Both Organizational culture and organizational climate set a frame work within which an individual and group behavior takes place. The internal working environment of every organization has certain commonly perceived psychological characteristics or traits which are collectively called its climate, culture. Organizational climate can be seen as a descriptive concept that reflects the common view and agreement of all members regarding the various elements of the organization

such as structure, systems and practices (McMurray, 2003). Organizational culture influences the attitudes and practices that make up organizational climate. Organizational climate plays such a critical role in organizations and influences employees' perceptions, which impacts on their behaviours. According to Litwin and Stringer (1968) [7], climate assists managers to understand the relationship between the processes and practices of the organization and the needs of employees. By understanding how different practices and initiatives stimulate employees, managers will be able to understand what motivates employees to behave in a manner that leads to a positive climate and results in the organization's success. Organizational culture has a straight impact on employee motivation. The better the Organizational culture, the upper the motivational level of employees (Sokro, 2012) [10]. Suitable employees have to be carefully chosen by the Organization with the most accurate set of skills and identifying their capacities based on experiences. (Adewale and Anthonia 2013) [11]

### **Impact of Organizational Culture on Employee Morale**

When people feel good about what they do and how they do it, morale remains high. They belong to something bigger than themselves and they want to work hard to accomplish team goals. When they realize and believe that they can meet their demand, their employee morale gets boosted up. The nature of corporate culture that exists in a company is going to decide the degree to which the desired results from the employees are obtained. The common perceptions of the individual members about the organization determines the types of the organizational culture, individuals with realm of universal truths and are broad enough to accommodate any variety of circumstance. An organization culture consists of two primary components: The primary value of the organization and the existing management style and systems. These two components significantly determine the degree to which the desired result from the employees is obtained. The value system to which the employees support directly or indirectly or by their behaviour indicates the direction in which organizations are likely to move in the future. A strong culture is a powerful lover for guiding behaviour. It helps the employees to do their job better. The essence of the organizational culture can be stated in its five characteristics namely, Individual Autonomy, Organizational Structure, Reward, organization Consideration and Conflict.

### **Organizational Culture and Motivation**

Organizational culture and organizational climate can be diagnosis from the point of view of its effect on the following six types of motives of people viz., achievement, affiliation, expert influence, control, extension and dependency. The motive which receives highest impetus is called the dominant motivational climate of the organization. The next highest is called the back-up motivational climate. Udai Pareek has developed an instrument called motivational Analysis of organization's climate (MAOC) to collect data about the perceptions of individuals on this subject.

### **Organizational Culture and Employee Engagement**

Engaged employees work with passion and feel an emotional connection to their company. They drive innovation and move the organization forward. They are

characterized as being loyal, committed, productive and they deliver results. Organizational culture determines *how* and *why* things get done in an organization. The culture of an organization reflects the environment, the behaviors, the values, the office rituals, and the language of those working in one workplace. When an organization focuses on creating a positive corporate culture of appreciation, support, and open communication, improved employee engagement will follow naturally. Employees who are empowered to use their discretion within the workplace exhibit superior levels of enthusiasm which is an attribute of an employee who is engaged and lower degrees of fatigue. (Sunet. S, 2019) [22]. Employees who feel part of a strong corporate culture feel a greater sense of belonging and pride. Organizational culture determines the kind of people who will be attracted to the organization and who will be successful in it. An engaged employee will exhibit not only better performance but also will be intrinsically motivated. Individual performance and organizational structure as predictors of employee engagement need to be focused upon for better brand image of the organization. (Gayathri and Saranya, 2020).

### **Effective Communication System**

Effective Communication System Communication is a basic tool of motivation which improves the morale of an employee in an organization. There should be a two-way communication in the organization so that the employees know what is going on and react to it. The manager can modify his decision on the basis of feedback received from his staff. With an effective communication system, one can maintain a good relationship within the organization and thereby encourage ideas or suggestions from employees and implement them whenever required, which in turn increases the returns of an organization.

### **Participative Decision**

The management should involve the employees in the decision-making process, particularly those decisions, which are related to goal setting. When people make decisions together, the social commitment to one another is greater and thereby increases their commitment to the decision. Organizations that manage decision-making explicitly and wisely can tap a greater share of their work through cordial cooperation with the team members. Participative decision-making enables the employees to be committed to the organization and become more cooperative to the management also.

### **Societal Culture**

An Extensive research by Geert Hofstede (1980) [5] across 40 countries has enabled him to conclude that like organization societies too have some commonly experienced stable characteristics these characteristics make each society unique and differentiate it from others. Some of these characteristics are: Fatalism, tolerance for ambiguity, contextualism, time orientation, collectivism, particularism, inner directedness, androgyny and tolerance for power distance. People in some culture are more fatalist than those in other cultures. Fatalist culture has both good and bad results. People in some culture may have greater tolerance for ambiguity and uncertainty. Such culture develops high role flexibility in people. But it also makes them less attentive to structure and time confusion, delay and anxiety.

Collectivism means a culture's preference for a tightly knit social group. This culture develops in people a high sense of belonging, high mutual trust and good relations. But people lose their individual identity and always look to the group to protect their interests. Particularism is a culture's tendency to classify people in several in groups and out groups on some identifiable basis such as religion, caste etc. This develops in people a very high sense of identity with their groups. Moreover they spend more time in forming cliques than in achieving results. In some cultures people's behavior is inner —directed ie, people set their own standards and do not bother for the norms laid down by the collectivity. Hofstede has identified India as a country in which there is a moderate extent of collectivism, high tolerance of social inequality, a general acceptance of uncertainty and a moderately masculine orientation.

### Impact on Performance

Culture motivates individuals and it affects organizational performance overall. Strong culture is said to exist where staff respond to stimulus because of their alignment to organizational values. In such environments, strong cultures help firms operate like well-oiled machines, cruising along with outstanding execution and perhaps minor tweaking of existing procedures here and there. Conversely, there is weak culture where there is little alignment with organizational values and control must be exercised through extensive procedures and bureaucracy. Where culture is strong people do things because they believe it is the right thing to do there is a risk of another phenomenon, Groupthink.

### Methodology

The researcher conducted the data collection at an IT company. The Researcher conducted the research using Descriptive Research design in nature. A descriptive study is a fact finding investigation with adequate interpretation. It is concerned with describing the characteristics or specific individual, groups or situation. The universe of the study was the employees and executives of IT company. The researcher used simple random sampling design as the sampling design for gathering information of this research as the universe is known to the researcher. The sampling technique of this research has been taken to remove the feeling of participants of being ignored by the researcher. The sample size for the research would be sixty respondents from the field of study. The tool used for data collection from the sample by questionnaire. The questionnaire used in this study will help to analysis the impact of organizational culture and climate on motivation. Primary source of data collection would be from sample unit by using the tool of questionnaire. Secondary source of data collection for the study would be from journals, books and websites.

### Rate of Response

Questioners were distributed to sixty employees selected from an IT company in Newtown, Kolkata. Utmost care was taken to obtain the questioners get filled without delay to avoid bias in response. The researchers were successful in 52 cases. While 8 respondents asked for a week time to fill it up. One of them gave the filled up questionnaire within a week while another submitted after a second reminder. Six others were reluctant to respond to researchers' further thout further pressure. While on calls and hence they were

rejected. Out of Sixty selected candidates fifty four responded promptly and hence the response rate is ninety percent.

### Major Findings

From the Study it is revealed that sixty two percent of the respondents agreed employees feel motivated and performance increases when they get Bonus & Rewards. Eighty one percent of the the respondents agreed that Organizational culture and organizational climate motivates in developing knowledge of the respondents. Eighty percent of the respondents agreed that Organizational Culture and Organizational Climate reduce the employee turnover rate. Eighty five respondents agreed that Organizational Culture is very important predictor for climate. Seventy seven percent of the respondent agreed that Climate in this organization is very conducive. It reveals that people in this organization are helpful to each other and have good relationship. It shows that organizational culture in framed in such a way that it develops the harmony at work place Fifty one percent of the respondents agreed that in this organization Performance appraisal reports are based on objective assessment. It reveals that Performance appraisal reports are done without any bias and it is done for the development and growth of the employees Seventy nine of percent of the respondents agreed that Organization Culture and Organization Climate always influence employee's motivation.

### Recommendations

- Flexibility in culture in the organization is required to cope with the changing scenario.
- Employees' motivation can be improved through a strong and better organizational culture
- To improve in employee performance, they must be given a chance of involvement in the organization decision making. If they participate in the functioning of the organization they will feel themselves as a part of organization. The result describes that an employee who feels that work place is good is more productive.
- An organization that wants to increase engagement levels will attempt to foster the factors which have a positive effect of engagement through every business activity they perform
- Work will be enjoyable when the area is pleasant, the people get along with free and there will be good team work. In such setting the tardiness, absenteeism and attrition will be less, while productivity goes up.
- Organizational has to create good Culture and Organizational Climate which will reduce the attrition rate. Only good organizational Culture and Climate can bring high team participation.

### Concluding Remarks

So, it is very true that organizational culture and organizational climate of the organization are very significant variables to raise the motivation among the employees. Employee integrity and the feeling of belongingness among employee's can be increased a sound organizational culture considering the various researches; all are indicated that if the traditions, ambiance, ethnicity and custom of the organisation are good, the employee will be more enthusiastic to give the best possible outcome. The findings of the study have led the researcher to conclude

that the level of organizational climate in the organization is good.

Again no doubt that organizational culture and climate play a vital role in the performance of the employees and the success of every organization. There is a very strong effect of the organizational culture and climate on the morale and satisfaction of the employees of the organization. The culture and climate reflect the employees' perception of their organization. It helps to increase the performance among the employees. Only conducive organizational climate and good organizational culture can truly motivate the employees and create a sense of belonging and commitment to the organization. In changing environment providing appropriate climate and assessing culture is always beneficial. Based this study, we can say that if the management wants to raise motivation among the employees, it must evaluate its culture and climate and have to make necessary changes so that employees easily adhere to it, which will automatically increase their motivational level and leads to high productivity and it also reduces attrition and turnover rate. Managers should find out what resources and benefits are most desired by employees and most likely to create a sense of obligation that is returned with greater levels of engagement. Superiors should understand the mental power of the subordinates in the company and by knowing and understanding the employees mind, they should implement strategies to meet or match employees mind set should so the organizations should keep in track with the problems relating to organizational culture and organizational climate in order to keep motivation among the employees.

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