CHAPTER ONE

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1.1 Preface

We are living in information-based industry, which is incomplete without IT industry in India, and specifically in Bangalore, the silicon valley of India. As the IT industry is growing aggressively with a large number of both Indian and foreign companies many changes are occurring dramatically in the case of number of employees both from within India and from abroad having different cultures and expectations. The biggest challenge for the IT companies is to transform themselves from traditional to modern by adjusting their organizational culture.

The 1980s witnessed a surge in popularity to examine the concept of organizational culture (OC) as managers became increasingly aware of the ways that, an organizational culture can affect employees and organizations. This interest led the management practitioners and scholars to undertake research investigations resulting in numerous research articles. The editions of Administrative Science Quarterly (Sept. 1983), Organizational Dynamics (autumn 1983) and Journal of Management Study (May 1986) were completely devoted to Organizational or Corporate culture issues.

The pervasiveness of organizational culture requires the management to recognize the underlying dimensions of their OC and its impact on employee related variables such as satisfaction, Cohesion, Commitment, Performance, strategy implementation and other such related issues. Researchers, such as Schein (1985), Wanous (1980), and Weick (1979), studied socialization and suggested that culture plays an important role in determining how individuals fit into an organizational context and thus how well they are satisfied and perform.
Job satisfaction is an area of inquiry which is concerned with both sorts of influence, the influence of work organization on people and the influence of people on work organization. As early as 1918, Thorndike explored the relationship between work and satisfaction (Berry, 1997). By 1970, Lock (1976) advanced what later came to be a highly influential definition of job satisfaction. He defined it as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. More recently, Weiss (2002) defined it as “a positive (or negative) evaluative judgment one makes about one's job or job satisfaction”.

After studying the cultural, behavioral and performance traits of more than 1000 companies worldwide for 12 years, Denison found corporate culture-companies’ mission, values and goals – can affect sales, growth and business performance. “The soft stuff in organizations- the people, values and the level of employee involvement- has a huge impact on business performance and employee satisfaction” stated by Denison(1996). Denison has compiled his research into a survey that measures a company’s corporate culture and suggests ways to improve weak areas.

Lately, there has been little research conducted to link organizational culture with job satisfaction. It is possible that the organizational culture influences job satisfaction of people. This relationship is important, because an organization will not perform well in a competitive environment, unless the employees are satisfied with their work environment.

The extent to which the organizational culture facilitates job satisfaction of people in the organization, it is difficult for the organization to perform well and increase the commitment level of the employees. Thus it may lead to decrease in employee turnover, and important for the success of the organization.
1.2 The Statement of the Problem

There is some research on the relationship between organizational culture and job satisfaction in manufacturing, and other organizations. But, studies regarding the organizational culture and job satisfaction purely in the private software companies have not been identified. Therefore my basic problem for the study is considered as organizational culture and job satisfaction specifically related to private software companies in Bangalore.

Other than the relationship between organizational culture and job satisfaction I have considered employee performance, commitment and turnover intention as secondary problem areas, because they are the resultant factors of employee job satisfaction.

1.3 Present Study

Is there any relationship between organizational culture and job satisfaction of people in software industry? It begins with the assumption that organizational culture can encourage as well as discourage employees to perform and increase their commitment towards its organization. The organizational culture like freedom and other such facilities given to the employees generally motivate them to perform well because of their higher job satisfaction level.

Views of the founders or leaders have a strong impact on what and how the organizational members believe and behave, because leaders are often a source of direction and inspiration. (Bates, 1984; Bennis, 1991; Bennis & Nanus, 1985; Leavitt, 1986; O’Reilly, 1991; Schein, 1983; Trichy & Devanna, 1986; Trichy & Ulrich, 1984). Schein (1992) focused on the leadership influence by following the widely acceptable notion that most people have an inherent tendency to follow their superiors. It is possible that organizational leadership may be communicating through the organizational culture, which may reflect the job satisfaction level of the employees.
By calculating Chi-Square the dimensions of organizational culture and job satisfaction, the link between organizational culture and job satisfaction can be examined. Are the organizational dimensions like values, beliefs, attitudes & basic assumptions and artifacts explicitly expressed in the job satisfaction of people? What elements of the organizational culture are reflected in the job satisfaction? In other words, can the organizational dimensions be used as a mechanism with which the job satisfaction of people in software companies be affected? The questions posed in this chapter formed the outline for this research.

The current study makes a contribution by investigating the link between dimensions of organizational culture and dimensions of job satisfaction frequently discussed in literature.

This research also has the potential to make an important contribution to managerial practices by providing fundamental information on specific aspects of organizational culture dimensions, which have an effect on employee job satisfaction and on the resultant out comes like employee commitment and turnover intention of software companies in India. Thereby, it identifies ways to manage organizational outcomes more effectively.

1.4 Objectives of the Study

The primary objective of this study is to identify the relationship between organizational culture and job satisfaction in private software companies.

To achieve this objective it gives rise to other secondary objectives, they are

1. To identify the major dimensions of organizational culture in private software companies.

2. To identify the major dimensions of employee satisfaction in private software companies.

3. To know the relationship between major dimensions of organizational culture and job satisfaction, so that we can establish relationship between them.
4. To identify significant differences among organizational members, relating to the perception of organizational culture and job satisfaction, based on the following demographic characteristics: Age, gender, education, and type of jobs, years of service in the current job, and years of service in the current organization.

5. To know the outcome of job satisfaction like employee performance, commitment, and turnover intention of software employees.

6. To recommend for improvement in organizational cultural dimensions, this enhances employees' job satisfaction, commitment, and performance.

1.5 Significance of the Study

This study has both practical and theoretical importance. It is theoretically important, as the result of this research will provide valuable information for OD consultants, HRM and HRD practitioners to understand the relationship between organizational culture and job satisfaction and also throws light on the other aspects like employee commitment and turnover intention of employees in private software companies.

This study can be helpful for OD consultants and HRD practitioners, especially those in the companies under study i.e. Software Companies, to prepare training programmes with information to develop curricula, courses, internships and standards. This study is also helpful for HR managers, to develop and identify culture, which can enhance an employee's job satisfaction, performance, and commitment and reduce turnover intentions. In addition, HRD and HRM practitioners can use the result of this study as guidance when designing organizational process or systems, including recruitment and selection, human resource allocation, appraisal and evaluation, compensation or training and development which should be sensitive to the special needs and differing needs and motivations of a diverse workforce and the organizational cultural dimensions which motivates and enhances an employee's job satisfaction. Finally, this research can create an avenue for future research that will lead to
improvement in this critical area of corporate practice. As every research has its limitation, there is scope for further advance research in this area.

1.6 Limitations of the Study

There are potential limitations in this study. There may be limitations in the instruments, since the instrument used in the present study may not be suitable to the Indian context. These instruments might contain certain culturally sensitive items that may not be detected in spite of researcher’s efforts to validate the instrument in India and obtain feedback.

In addition to this, due to the questionnaire survey, respondents might not respond accurately and bias may be there in their responses. As we are studying about the culture of the organization which is mostly intangible in nature there might be misunderstanding between the researcher and respondents. There are also chances of insufficient sample size and the chosen sample may not have answered the questionnaire due to its cautious nature. There may be some uncontrollable and unknown factors which may act as limitations for this study.

1.7 Definitions of Key Terms

The key terms in this study are defined as follows:

*Culture* refers to “a pattern of shared basic assumptions that was learned by a group as it solves its problems of external adoption and internal integration, that has worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think, feel in relation to those problems and opportunities”. (Schein)

*Organizational culture or corporate culture* is defined as the “values, assumptions and beliefs held in common by organizational members that shape how they perceive, think and act”.

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Organizational culture is the “basic pattern of shared assumptions, values, and beliefs considered to be the correct way of thinking about and acting on problems and opportunities facing the organization”.

*Job Satisfaction* can be defined as a pleasurable or positive emotional state resulting from the self appraisal of one’s job or job experience (Locke, 1976). According to Lincoln and Kalleberg (1990), job satisfaction can be generalized as an affective work orientation towards one’s present job and employer. More recently, Weiss (2002) defined it as “a positive (or negative) evaluative judgment one makes about one’s job or job situation”.

*Organizational Commitment* refers to an individual’s feeling about the organization as a whole. It is the psychological bind that an employee has with an organization and has been found to be related to goal and value congruence, behavioral investment in organization, and likelihood to stay with the organization (Mowday, Porter, & Steers, 1982). In general terms, organizational commitment can be thought of as the level of attachment felt towards the organization in which one is employed (Barlett, 2002). A useful description of organizational commitment was presented by Meyer and Allen (1997), who suggested that a “committed employee is one who will stay with the organization through thick and thin, attends work regularly, puts in a full day, protects company assets, and who shares company goals”.

*Learning Organization* may be described as an environment in which organizational learning is structured so that team work, collaboration, creativity, and knowledge process have a collective meaning and value (Confessor & Kops, 1998). Senge (1990) described the learning organization as one that must be viewed holistically; that is, all individuals within the organization work together across traditional boundaries to solve problems and to create innovative solutions. He used a systematic view of the learning organization to explain: (1) system thinking, (2) Personal mastery, (3) mental model, (4) A Shared vision and (5) team acquisition of knowledge.
Watkin and Marsick (1997) identified "six action imperatives for learning organization: (1) creating continues learning opportunities; (2) Promoting enquiry and dialogue; (3) Encouraging a set of shared assumptions about how the world is and ought to be, which determines the perceptions, thoughts, feelings and the overt behavior of a group or its individual members"

Learning comes from the greater societal culture or from individual organizational members who contribute to and are influenced by the culture (Dixon, 1994). Organizations can create cultures that are specially and intentionally focused learning. These learning cultures are contexts in which members are allowed to explore, experiment in the margins, extend capabilities, and anticipate customer's latent needs (Barrett, 1995).

Summary

Many private software companies are trying to redesign and make the process simple in order to search for greater efficiency and higher productivity. In addition, management recognizes that skilled and highly motivated software employees will provide a global, sustainable, competitive advantage for the organization. Therefore, these companies are identifying, creating, and enhancing innovative and supportive culture for their employees. It will increase job satisfaction and decreases the turnover.

This study explores the relationship between organizational culture and job satisfaction of private software companies' employees. The findings of this study will be of theoretical and practical importance. This study is theoretically important as the results of this study will provide especially valuable information for HRD practitioners to understand what relationship exists between organizational culture and job satisfaction. In addition, HRD and HRM practitioners can use the results of this study as guidance when designing organizational process or systems, human resource allocations, appraisal and evaluation, compensation, or training and development. Finally, this research can create an avenue for the future research, which may lead to improvements in this critical area of corporate practice.