Investigating the relationship between organizational culture and employees' job satisfaction

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ABSTRACT

The main purpose of this study is to examine the relationship between the dimensions of organizational culture and employee job satisfaction at Islamic Azad University (IAU) located in Iran, region one. The population comprised of all the employees of the thirty one branches of IAU located at region one. Data was collected by structured questionnaire and designed based on the Robbins’ 10 criteria indexes through 550 respondents who were selected randomly through clustering sampling. Two types of statistical testing were employed which are descriptive and inferential statistics. Correlation analysis was used to test the relationships between dimensions of organizational cultures with job satisfaction. The results showed that there is a significant and positive relationship between organization identity, managerial support, risk taking ability, participation, organizational communication, control and organizational integration with job satisfaction. However, the relationship between individual creativity, conflict and reward system with job satisfaction was not supported in this study. The result of this study is useful for managers to increase productivity in the company by the factors of organizational culture.

Keywords: Organizational culture, job satisfaction, employees.

INTRODUCTION

The importance of organizational culture as a subject in management and business research was supported for the past few decades. In fact, organizational culture influenced individual and organizational desired outcomes such as loyalty, commitment and satisfaction (Chow et al., 2001).

It was confirmed that influencing thoughts, feelings, interaction and performances are the significant contribution of organizational culture (Yusof and Juhari, 2000). There are considerable studies on organizational literature that have tried to investigate the relationship between corporation cultures and employee’s satisfaction in different enterprises (Nasirpour et al., 2010; Chow et al., 2001; Mansor and Tayib, 2010; Voon et al., 2011; Lund, 2003; Gray et al., 2003; Sheridan, 1992). However, there is not enough literature that recognizes studies of organizational culture in higher learning organizations, particularly on job satisfaction amongst employees.

This study aims to examine the relationship between organizational culture aspects broken down into ten (10) dimensions with job satisfaction among university staffs of Iranian IAU, region one.

LITERATURE REVIEW

According to Robbins and Coulter (2005), organizational culture is defined as the beliefs, shared values or perceptions that employees have within an organizational unit. Daft (2005) also stated that organizational culture is a set of key values, assumption, understanding and norm
that members of an organization share also with new members. Moreover, Robbins (2004) suggested ten criteria indexes for measuring the organizational culture which includes organizational identity, risk taking ability, organizational integration, management protection, organizational collectiveness, innovation, bonus system, aggressiveness, control and organizational connection.

Robbins (2005) defined job satisfaction as the feeling of collection in individual level that one holds towards his or her job. Rad et al. (2006) suggested that several factors have impact on employee job satisfaction. They also showed that there is a positive relationship between employee satisfaction and organizational culture. Lund (2003) conducted an empirical survey to examine the impact of organizational culture on job satisfaction in marketing professional area in a cross-section of firms. The results showed that job satisfaction levels varied in different typology of organizational culture.

Several studies found that different factors affect people orientation in organization and they include innovation, teamwork, stability, attention to details, orientation towards people, communications, employee involvement, training and development, rewards, effective decision-making, trust, supportiveness, risk-taking for creativity and competitiveness (Chatman and Jehn, 1994; Gray et al., 2003; Nasirpour et al., 2010).

De et al. (2009) stated that organizational identity has a powerful influence on turnover intention. Therefore, organizational identity and job satisfaction are the important factors by which a company wishes to reduce turn-over rate. Improving job satisfaction may contribute to reducing the turn-over intention. Thus, according to Chang and Lee (2007), higher identity degree to organizational cultures leads to higher job satisfaction. Therefore, according to these observations, the first hypothesis was put forth:

H1: There is a significant positive relationship between organizational identity and job satisfaction.

Their empirical study among the police officers in Slovenia, Nalla et al. (2011) illustrated that the officers who had perceived their occupational roles as more challenging and risky in nature are significantly more satisfied than the officers who found their work as simple or repetitive. Lambert and Hogan (2010) investigated that the perceptions of organizational innovation still had significant associations with job stress, job satisfaction and organizational commitment. They suggested that perceptions of organizational innovation probably allowed employees to have a greater sense of involvement at work as well as, the feeling that things may change for the better.

In addition, they came up with the idea that one of the best ways to use perceptions of innovation to decrease job stress, increase job satisfaction and organizational commitment is the climate of actual innovation within a correctional organization. Hence, it can be concluded that risk is associated with job satisfaction. In this sense, the second hypothesis is offered to test this relationship:

H2: Risk orientation ability has significant effect on employee’s job satisfaction.

Organizational integration shows a perspective of team orientation in an organization in which staffs are able to co-ordinate and cooperate within and across units. It contributes to the job satisfaction (Maznevski et al., 2002).

Kashefi (2009) in his elementary data analyzed substantiated hypothesis that internalization simultaneously produced positive psychological outcomes such as job satisfaction. Tsai (2011) stated that a close interaction between the leaders and employees could make a greater contribution to team communication and collaboration. Moreover, close interaction also encouraged employees to achieve objectives declared by the organization (Tsai, 2011). The results showed that close interaction would enhance job satisfaction.

Jill et al. (2003) in their report suggested that the organizational culture including employee participation had strong relationship with job satisfaction. Noorderhaven et al. (2002) stated that innovation and cooperation have positive relationship with job satisfaction. Although based on the findings of Beugelsdijk et al. (2006), there are negative relationship between predictability and rule-oriented behavior in the firm and innovation orientations. Walter (1999) argued that the atmosphere at the workplace which raised favorable interpersonal relationship tends to attract and retain employees, especially those who focus in a friendly relationship (Gyau and Spiller, 2007).

Based on the aforementioned literature the relation between integration, individual creativity and participation with job satisfaction could be derived as:

H3: Organizational integration has a significant effect on employee’s job satisfaction;
H4: There is a significant relationship between participation and the job satisfaction;
H5: Individual creativity has a significant effect on the job satisfaction.

Babin and Boles (1998) stated that perceived managerial support had a significant negative relationship with role conflict and ambiguity, but has a direct positive relationship with job satisfaction. However, Nalla et al. (2011) proposed that there were no significant relationship between management support or supervision and job satisfaction; it therefore suggested that the reform scales introduced during the last few decades had no significant impact on bringing a cultural change in the police organization. In this regard, previous theories can lead to the sixth hypothesis given as:
H₉: The management support has a significant effect on job satisfaction.

Gray et al. (2003) indicated that dominant culture characteristics and job satisfaction are strongly associated with reward and supportiveness. Moreover, Nystrom (1993) found that in a strong culture, with a more active reward system, the employees are more satisfied in their job. Yoon et al. (2002) stated that pay could be construed as a reward that is extrinsic to the job itself. They argued that intrinsic job rewards have more impact on job satisfaction rather than the extrinsic factors.

Furthermore, the relationship between conflict and job satisfaction was studied in some research. For example, the negative relationship between conflict and job satisfaction was revealed in the findings of Ghiselli et al. (2001). Aryee et al. (1999) found no significant relationship between conflict and job satisfaction. However, Zhao et al. (2012) found a positive relationship between these variables. Therefore, hypotheses 7 and 8 were derived from the literature:

H₇: Reward system has a significant impact on job satisfaction;
H₈: There is a significant relationship between conflict and job satisfaction.

According to the control theory developed by Judge and Bono (2001), employees who work based on their expectation have an additional effort and can easily achieve their goal, although they reduce the level of standard or even cease the work. Their findings revealed that there is a significant relationship between job satisfaction and level of control in the workplace.

In addition, based on Bond and Bunce (2003), job control is associated with productivity and occupational health and imposes more control in the workplace that affects decreasing of stress. In fact, setting a low-level control will lead to increasing workers’ health problems such as heart disease. However, the locus of control is very imperative to be perceived and accepted by personnel. Therefore, they found that there is a positive relationship between the level of job control and satisfaction. In this sense, the ninth hypothesis could be provided as:

H₉: Direct control has a significant effect on job satisfaction.

According to Irwin and More (1994) and Goldhaber (1993), organizational communication contributes positively to job satisfaction. Leslie and Fretwell (1996) revealed that greater employee satisfaction has a direct positive relationship with increasing the communication level. The positive relationship between the organizational communication and job satisfaction are constantly concerned within the literature (Akkirman and Harris, 2005; Brunetto and Wharton, 2006; Carrière and Bourque, 2009; Wagenheim and Rood, 2010). Therefore, the tenth hypothesis was derived to be examined in this study:

H₁₀: The relationship between organizational communication and the job satisfaction is significant.

By reviewing the aforementioned scientific studies, a significant relationship between organizational culture and job satisfaction was found. From the literature, it was found that the dimensions of organizational culture play an important role in promoting job satisfaction in the extent of the organization. Moreover, based on the proposed hypothesis, the main purpose of this study which is the development of a theoretical organizational culture model in measuring job satisfaction is presented.

Figure 1 shows the conceptual framework design which focuses on organizational culture including all of the ten identified criteria dimensions. A study on the relationship between the organizational culture and job satisfaction in an Iranian organization provides an opportunity of making a comparison between the conditions and situations within other organizations in the global level.

**RESEARCH METHODOLOGY**

The survey method was used in this study to examine the link between organizational culture and job satisfaction. This correlation study was performed in 2014 and it involved 31 university branches in IAU, region one. The population of this study is the employees of IAU, region one and the number of employees in the university branches were N=2,139. Considering the finding by Hersey and Blanchard (1988), it showed that about 60% of employees have low organizational culture and a population size of five hundred and seventy-four (574) subjects was determined with sub-sample method due to having a heterogeneous sample in the university branches’ population by random distribution.

In this study, the sampling size provided was based on the Cochran formula provided by Burns and Bush (2003) with a confidence interval of 90%:

\[
(n = \frac{z^2 PQd^2}{1 + 1/N(PQ/d^2 - 1)})
\]

The survey instrument provided in this study tests the relationship between ten (10) dimensions of organizational culture with job satisfaction. Data was compiled using a checklist of the evaluation from performance index proposed by Robbins (2004) organizational culture questionnaire.
The questionnaire consists of two sections which includes demographic data (comprising 5 questions) and organizational culture of employees (comprising 29 questions) based on the model criteria indexes (organizational identity, risk taking ability, organizational integration, participation, managerial support, individual creativity, reward system, conflict, direct control and organizational communication) corresponding with job satisfaction. The questionnaire was designed based on the 4-point Likert scale (1 = Very little to 4 = Very much). Before the questionnaires were distributed, they were tested through pilot test by choosing a small sample which included 20 employees from different branches.

The questions were analyzed by Cronbach Alpha's Coefficient to remove some irrelevant questions and finally the reliability and validity of the questionnaire structure were confirmed through the experts' judgment. The questionnaires were roughly answered within ten minutes by respondents sent to thirty-one (31) university branches and randomly distributed among the employees. Only five hundred and fifty (550) valid questionnaires were returned back which make up more than 95% of all the distributed questionnaires.

The SPSS software was employed for data analysis. Frequency and percentage as the category of descriptive statistic and Pearson correlation as statistic inferential were used. Correlation analysis was used on the relationships between criteria dimensions of the organizational cultures and job satisfaction.

RESULTS AND DISCUSSION

Table 1 shows the demographic information. Out of 550
Table 1: Demographic information of respondents.

<table>
<thead>
<tr>
<th>Biographic file</th>
<th>Percentage (%)</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>396</td>
<td>72</td>
</tr>
<tr>
<td>Female</td>
<td>154</td>
<td>28</td>
</tr>
<tr>
<td><strong>Working experience</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>29</td>
<td>5</td>
</tr>
<tr>
<td>1 – 2 years</td>
<td>39</td>
<td>7</td>
</tr>
<tr>
<td>2 – 4 years</td>
<td>96</td>
<td>18</td>
</tr>
<tr>
<td>4 – 6 years</td>
<td>85</td>
<td>15</td>
</tr>
<tr>
<td>6 – 8 years</td>
<td>181</td>
<td>33</td>
</tr>
<tr>
<td>More than 8 years</td>
<td>120</td>
<td>22</td>
</tr>
<tr>
<td><strong>Marital status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>121</td>
<td>22</td>
</tr>
<tr>
<td>Married</td>
<td>429</td>
<td>78</td>
</tr>
<tr>
<td><strong>Educational level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td>38</td>
<td>7</td>
</tr>
<tr>
<td>Associate degrees</td>
<td>110</td>
<td>20</td>
</tr>
<tr>
<td>Bachelor</td>
<td>94</td>
<td>17</td>
</tr>
<tr>
<td>Masters</td>
<td>302</td>
<td>55</td>
</tr>
<tr>
<td>PhD</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

subjects under study, 154 persons' (28%) were women and 396 (72%) were men. Regarding educational level, most respondents (55%) were in the group of master degree. Among the sample used, 121 persons' (22%) were single and 429 persons' (78%) married. The average age of the respondents was 47.5 years (standard deviation=1.14) and the mean of work experience was 9.5 years (standard deviation=1.14 years).

Chohen (1988) stated that the relationships between variables were based on the standard:

Small, $\gamma= 0.10$ to 0.29;  
Medium, $\gamma= 0.30$ to 0.49;  
Large, $\gamma= 0.50$ to 1.0.

Among all the ten dimensions of organizational culture in correlation with job satisfaction in P value of less than 0.1, the highest score was for organizational identity ($\gamma=0.764$) and integration ($\gamma=0.612$), lowest score was for participation ($\gamma=0.318$) and the remaining correlations were medium and large.

In this study, it was clear that organizational identity had significant direct impact on job satisfaction among employees of IAU, region one ($\gamma=0.764$ and significance <0.1). This hypothesis was evaluated by four questions. More than 60% of respondents agreed with the first question labeled “To what extent are staffs of IAU loyal to their organization?” In addition, in the second question, “To what extent do staffs of IAU refer themselves to their organization?”, more than 62% of respondents answered high and very high.

However, only 48% of the respondents liked to stay at the university and 45% of them were proud of their university. This means even though most of the staffs in IAU are loyal to their university, they do not like to continue their work there. The result of this study is consistent with previous findings that organizational identity had significant effects on job satisfaction (Chang and Lee, 2007; De et al., 2009).

Furthermore, the effect of risk orientation on job satisfaction was supported in this study ($\gamma=0.359$ and significance <0.1) which supported the previous studies of Nalla et al. (2011). This dimension is supported by three questions in this study. In this case, 40% of respondents believed that employees in the IAU, region one extremely followed the rules and regulations, while 20% of them agreed with these sentences, much and very much that they take risk in their work. 66% of them showed no interest to do their tasks or responsibilities, which are not supported by the rules and regulations.

Another hypothesis that was not rejected examined the relationship between organizational integration and job satisfaction. By three questions, it was revealed that integration in the organization had a significant effect on job satisfaction ($\gamma=0.612$ and significance <0.1). The three questions measured the integration variable in the IAU, region one and most respondents agreed with all questions. The previous findings supported the result of this study that organizational integration has significant effects on job satisfaction (Kashefi, 2009; Maznevski et al., 2002).

The relationship between participation and job satisfaction was supported in this study ($\gamma=0.318$ and significance <0.1) and three items supported this hypothesis. More than half of the respondents (53%) agreed that participation atmosphere exist in the
Management support and its effect on job satisfaction was another hypothesis that was tested in this study and not rejected (γ = 0.491 and significance < 0.1). For this hypothesis, two questions were designed. Results showed that most of the staffs believed that managers’ support of employees were medium. More than 65% of the respondents believed that their managers’ support was low and very low. Nonetheless, they were satisfied with their support. The result of this study in the relationship between management support and job satisfaction was supported by several previous studies (Babin and Boles, 1998) and consist of few studies (Nalla et al., 2011).

In addition, it was clear that the high level of direct control affected the high level of job satisfaction (γ = 0.491 and significance < 0.1). Three questions were designed for this hypothesis. The first question was labeled as “To what extent managers try to direct control over the staffs?” Most of the respondents answered this question as high and very high (53 and 12% respectively). Only 2% of them believed that they were not controlled directly by their managers. Moreover, most of the respondents (69%) agreed with the second question which was titled as “To what extent self-control can be used instead of written rules?”. Finally, the third question was designed to test the respondents’ desire about the effect of control on job satisfaction. In this sense, the result showed that the direct control had a significant impact on job satisfaction. Therefore, it was revealed that although employees accepted that direct control influences job satisfaction, self-control was the main purpose of direct control on employees. The result of this study in the relationship between control and job satisfaction is the same as previous studies (Bond and Bunce, 2003; Judge and Bono, 2001).

Furthermore, the relationship between organizational communication and job satisfaction was supported in this study (γ = 0.361 and significance < 0.1) was supported by previous scholars (Akkirman and Harris, 2005; Brunetto and Wharton, 2006). Two items supported the dimension of organizational culture. In the first question, majority of the respondents believed that the university does not provide information about the problems to employees. Although, 90% of them believed that job information has a significant effect on job satisfaction.

In the significant level of 0.1, hypotheses 5, 7 and 8 were not supported (Table 2). The reason these hypotheses do not support the previous studies is related to the leadership style of managers in the branches of IAU, region one. In fact, most of the managers in all the IAU branches just follow the rules provided by the head quarter of IAU and are not flexible in their contact with subordinates.

Moreover, for this reason reward system does not affect job satisfaction in these branches. Employees know that they received reward in the regular manner every two or three months. Consequently, they are not encouraged to work harder to get more reward. In addition, according to the study of Noorderhaven et al. (2002) creativity does not occur in predictable and rule-oriented situation. Therefore, the result of these three hypotheses supported the findings of Noorderhaven et al. (2002) on the rule orientation work in organizations.

Consequently, in this study employees believed that organizational identity is the most important factor whereby employees can be satisfied followed by organizational integration. These two factors have a significant impact on staff job satisfaction. In spite of having positive effects among all the factors on job satisfaction, their influences are not high. Furthermore, employees believed that the positive effect of management support is as equal as the effect of controlling system. They are of the opinion that the organizational communication, risk taking and participation approximately have equal influences on job satisfaction. However, the linkage of individual creativity, reward system and conflict was not supported in this study.

<table>
<thead>
<tr>
<th>Correlation (Spearman r)</th>
<th>Coefficient correlation</th>
<th>Sig (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational identity</td>
<td>0.764</td>
<td>0.000</td>
</tr>
<tr>
<td>Risk taking</td>
<td>0.359</td>
<td>0.086</td>
</tr>
<tr>
<td>Integration</td>
<td>0.612</td>
<td>0.001</td>
</tr>
<tr>
<td>Participation</td>
<td>0.318</td>
<td>0.071</td>
</tr>
<tr>
<td>Individual creativity</td>
<td>0.359</td>
<td>0.228</td>
</tr>
<tr>
<td>Management support</td>
<td>0.491</td>
<td>0.009</td>
</tr>
<tr>
<td>Reward system</td>
<td>0.268</td>
<td>0.243</td>
</tr>
<tr>
<td>Organizational conflict</td>
<td>0.389</td>
<td>0.184</td>
</tr>
<tr>
<td>Control</td>
<td>0.491</td>
<td>0.008</td>
</tr>
<tr>
<td>Organizational Communication</td>
<td>0.361</td>
<td>0.051</td>
</tr>
</tbody>
</table>
Conclusion

This study supports the previous studies on the roles of job satisfaction related constructs (Chow et al., 2001; Mansor and Tayib, 2010; Nasirpour et al., 2010; Voon et al., 2011). It highlights organizational culture as an important factor in predicting job satisfaction.

Theoretically, this study provides a framework for evaluating the interactions between organizational culture (including ten dimensions such as control, risk orientation, organizational communication, participation, organizational identity, individual creativity, reward, conflict, management support and integration) and job satisfaction. To managers, job satisfaction is an important factor to increase organizational productivity. Therefore, some factor by which managers can increase job satisfaction must be considered.

In this study, it was concluded that reward system, individual creativity and conflict have no effect on job satisfaction. Therefore, the system by which the rewards are provided, employees participated in the decision making and affects employees conflict must be modified. Moreover, self-control was considered as an important factor in job satisfaction, which suggested more investigation in future researches.

Based on the findings of this study, future research could be conducted by adding managers of the organization to the employees as respondents in order to cover all aspect related to this subject. In this regard, the impact of components of organizational culture on job satisfaction could be analyzed by investigating both managers' and employees' point of view at the same time.

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