



## THE STUDY OF RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE, LEADERSHIP BEHAVIOUR AND JOB SATISFACTION

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### ABSTRACT

*The study of organizational culture refers to the beliefs and values that have existed in an organization for a long time, and to the beliefs of the staff and the foreseen value of their work that will influence their attitudes and behaviour. Administrators usually adjust their leadership behaviour to accomplish the mission of the organization, and this could influence the employees' job satisfaction. It is therefore essential to understand the relationship between organizational cultures, leadership behaviour and job satisfaction of employees.*

**Keywords:** job satisfaction, leadership, transformation styles, organisation behavior.

### 1.0 INTRODUCTION

Organizational culture is described by Robbins & Coulter [1] as the shared values, beliefs, or perceptions held by employees within an organization or organizational unit. Because organizational culture reflects the values, beliefs and behavioural norms that are used by employees in an organization to give meaning to the situations that they encounter, it can influence the attitudes and behaviour of the staff [2]. Understanding the organization's core values can prevent possible internal conflict [3], which is the main reason for our research into these cultural issues. In other management fields, empirical research of organizational culture has involved the functionalist perspective, providing impressive evidence of the role of organizational culture in improving performance [4]. The pervasiveness of an organizational culture requires that management recognize its underpinning dimensions and its impact on employee-related variables, such as job satisfaction [5], organizational commitment [6], and performance [7]. Lund [5] believed that less research was done on the relationship between organizational culture and job satisfaction within the research topic of organizational culture and outcome. The organization consists of the staff, with the behavior of its individual members affecting outcomes. Since cultural research within the IT field is not common [8], it is necessary to explore the way the culture influences the behaviour of the IT/ITES staff, and in turn how the behaviour of the staff influences the organizational outcome. A two-dimensional model of leadership that focuses on the concern for people and production has been used for many years in organizational research [9]. In the late 1970s, leadership research started focusing behaviour within organizational change and development [10]. Leadership implies authority in the broadest sense of the word and not simply the power to wield the stick [11]. It is based on objective factors, such as managerial ability, and more subjective characteristics that include personal qualities of the leaders. Currently, there is a shortage of nurses in clinical care, and good leaders can help any attrition. Although leadership and organizational culture constructs have been well studied, the relationship between them has not been established in the field of IT/ITES[6]. This study explores the relationship between organizational culture and leadership behavior.

Berson & Linton [15] discovered that within the research & development (R&D) and

administrative environments, leadership behavior of a manager is closely related to work satisfaction of the employees. Nielsen et al. [16] have stated that leadership behavior and job satisfaction will depend on the organizational context; therefore another objective of this research was to understand how the leadership behavior of the administrator in different organizational cultures affects job satisfaction.

## **2.0 RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND LEADERSHIP BEHAVIOUR**

Culture is socially learned and transmitted by members; it provides the rules for behavior within organizations [17]. The definition of organizational culture is of the belief that can guide staff in knowing what to do and what not to do, including practices, values, and assumptions about their work [8]. The core values of an organization begin with its leadership, which will then evolve to a leadership style. Subordinates will be led by these values and the behavior of leaders, such that the behavior of both parties should become increasingly in line. When strong unified behavior, values and beliefs have been developed, a strong organizational culture emerges. Leaders have to appreciate their function in maintaining an organization's culture. This would in return ensure consistent behavior between members of the organization, reducing conflicts and creating a healthy working environment for employees [19].

## **3.0 RELATIONSHIP BETWEEN LEADERSHIP BEHAVIOR AND JOB SATISFACTION**

Job satisfaction has been associated with nurses who perceive their managers as supportive and caring. A supportive manager shares values, believes in a balance of power, and provides opportunities for open dialogue with nurses [20], which in turn reduces the chances of internal conflicts. Such leaders are valued throughout the organization and have executive power to do what they see as necessary to create a positive environment for IT industry [21]. Accordingly, they have a measurable effect on the morale and job satisfaction of Employees [22].

## **4.0 RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND JOB SATISFACTION**

Organizational culture expresses shared assumptions, values and beliefs, and is the social glue holding an organization together [21]. A strong culture is a system of rules that spells out how people should behave [22]. An organization with a strong culture has common values and codes of conduct for its employees, which should help them, accomplish their missions and goals. Work recognition and job satisfaction can be achieved when employees can complete the tasks assigned to them by the organization.

## **5.0 THE MEASUREMENT OF ORGANIZATIONAL CULTURE, LEADERSHIP BEHAVIOR AND JOB SATISFACTION**

A structured questionnaire was compiled based on similar studies published in international journals. Twenty-three factors regarding organizational culture were taken. The study is focused on employees in IT/ITES industries; Vroom [23] classified job satisfaction into 7 dimensions: organizational, promotion, job content, superior, reward, working environment and working partners. We took into consideration those employees' salary increases are based on promotion. Furthermore, a large number of variables in organization culture and

leadership behavior were covered by this work. To prevent too few number nurses from responding to the questionnaires, the study conducted only 4 job satisfaction dimensions out of a total of 12 items: job recognition, reward and welfare, superior and working partners.

## 6.0 METHODS

A cross-sectional study was undertaken that focused on different IT companies in Hyderabad. Data was collected using a structured questionnaire; 300 questionnaires were distributed and 200 valid questionnaires were returned. To test the reliability of the data, they were analyzed by Cronbach's  $\alpha$  and confirmatory factors. Correlation analysis was used on the relationships between organizational cultures, leadership behavior and job satisfaction.

### 6.1 Data Source and Analysis

The study continued with selected 2 IT companies as our sample target and appointed a designated person at each to issue questionnaires to employees. The number of questionnaires issued depended on the designated person. The questionnaires were completed voluntarily by all respondents. During the period, there were 325 employees in company A; 100 questionnaires were distributed, and 57 valid questionnaires were returned. In company B there were a total of 572 employs; 200 questionnaires were distributed, and 143 valid questionnaires were returned (total return rate 66.7%). Of the subjects, 99.5% were female, 83.5% single or never married, 35.5% had a tenure at the hospital of 1-2 years, and 45.0% had had a college-level education. The majority of employees at the IT were general employees (89.5%), and the average age was between 21 and 30 years (82.5%). All data were analyzed using the SPSS 17.0 software package. Cronbach's  $\alpha$  coefficient was used to assess the internal consistency reliability of scales. To explore the factor construct of scale, a series of exploratory factor analysis (EFA) were employed. Correlation analysis was used to test for the relationships among subscales of organizational culture, leadership behavior and job satisfaction scale. Finally, a series of regression analysis were used to identify the proposed hypotheses. For H1 and H3, two sets of simple linear regression were used to assess the association between independent variable and dependent variable. For H2, hierarchical regression analysis was used to assess the independent association between leadership behavior and job satisfaction after controlling for the effect of organizational culture. Partial  $R^2$  ( $\Delta R^2$ ), F test and standardized regression coefficient ( $\beta$ ) and their test statistics (t value) were reported in all regression analysis.

### 6.3 Measurement

Given the latent character of the variables considered in the study, we used multi-item, 5-point Likert-type scales (1='strongly disagree' and 5='strongly agree'). After reliability analysis, the Cronbach's  $\alpha$  of the organizational culture scale was 0.958 (22 items). The Cronbach's  $\alpha$  of the leadership behavior scale was 0.966 (26 items), and for job satisfaction 0.855 (12 items). The questionnaires used exploratory factor analysis. We extracted 4 factors from the organizational culture via principal component analysis, used the Varimax of the rotation method, and named them: employee orientation, customer focus, emphasizing responsibility, and emphasizing cooperation. We extracted 4 factors from leadership behavior and named them: leader's encouragement and supportiveness to subordinates, leader giving subordinates a clear vision and trust, leader's behavior is consistent with organization's vision, and leader is persuasive in convincing subordinates to acknowledge the vision. We

extracted factors for job satisfaction and called them: working partners, rewards and welfare, superior and job recognition.

## 7.0 RESULTS

**7.1 Descriptive statistics** The average score for organizational culture was between 3.73 and 3.19, but the highest score was 3.73: "satisfying the need of customers at the largest scale." The second highest score was 3.68: "the profit of the customer is emphasized extremely." The lowest score was 3.19: "concern for the individual development of employees". The average score for leadership behaviour was between 3.77 and 3.42, where 2 items scored the highest score at 3.77: "the leader will act accordingly with a certain 'vision' that specifies a better future state", and "the leader will behaviourally role model the values implied by the vision by personal example". The second highest score was 3.69: "the leader will use positive rewards and reinforcement with his followers".

The lowest score was 3.42: "the leader will try to persuade those who disagree with his vision to agree with it" The average score for job satisfaction was between 3.84 and 2.56, where the highest score was 3.84: "to certain people my work is extremely important." The second highest score was "I am satisfied with how colleagues communicate with each other in the office." The lowest score was 2.56: "I am satisfied with my salary as I have less workload compared to other employees in other divisions".

### Inferential statistical analysis

In relation to the 4 dimensions of organizational culture (employee orientation, customer focus, emphasizing responsibility, and emphasizing cooperation), the 4 dimensions of leadership behavior (leader's encouragement and support to subordinates, leader giving subordinates her/his clear vision, leader's behavior is consistent with the her/his vision and leader is persuasive in convincing subordinates to acknowledge the her/his vision), and the 4 dimensions of job satisfaction (working partners, rewards and welfare, superior and job recognition), variable analysis was carried out. The results of the analysis showed that only 2 dimensions from "leader giving subordinates her/his clear vision" and "behavior consistent with her/his vision" and "reward and welfare" under the job satisfaction were not significantly correlated, whereas the other dimensions showed significant correlation. The results also showed that organizational culture, leadership behavior and job satisfaction were positively associated with hypotheses one to three, which were supported. The results of several regression analyses. H1 was supported, as organizational culture was positively associated with leadership behaviour ( $\beta = .55, p < .001$ ). H3 was also supported as organizational culture was positively related to job satisfaction ( $\beta = .66, p < .001$ ). Finally, H2 was supported as the partial regression coefficient of leadership behavior reached statistically significant ( $\beta = .33, p < .001$ ) after controlling the effect of organizational culture. The unique variance explained attributable to leadership behavior was 8% ( $\Delta F = 30.58, p < .001$ ) independent of organizational culture.

### Analysis & Discussions

The variables strongly correlated with job satisfaction included role conflict, head nurse leadership, supervisory relationships, autonomy, and stress. Mayo [24] argued that the key determinant of job satisfaction was group interaction, and highlighted the importance of good leadership and satisfying personal relations in the workplace. Management and leadership

behavior at the hospital affected nurses' job satisfaction [25]. The research also discovered that leadership behavior will also influence employee job satisfaction. As well as the above-described individual factors, the research also showed that factors at the organization level, such as the organizational culture, also have an effect on job satisfaction. To maintain open communication and better coordination, as well as avoiding possible conflicts, one must rely on the role of leaders to motivate the team to achieve the organization goal. It was found that encouragement and support by leaders, their trust and clear vision, their consistent behavior in this regard and their ability to convince subordinates to acknowledge their vision, can all influence employee job satisfaction. On the other hand, we found that the factors in achieving job satisfaction were not limited to the employee's working environment, but also included interactions between working partners.

## 8.0 CONCLUSION

Organizational cultures were significantly (positively) correlated with leadership behaviour and job satisfaction, and leadership behaviour was significantly (positively) correlated with job satisfaction. The culture within an organization is very important, playing a large role in whether it is a happy and healthy environment in which to work. In communicating and promoting the organizational ethos to employees, their acknowledgement and acceptance of it can influence their work behaviour and attitudes. When the interaction between the leadership and employees is good, the latter will make a greater contribution to team communication and collaboration, and will also be encouraged to accomplish the mission and objectives assigned by the organization, thereby enhancing job satisfaction.

## RESEARCH LIMITATIONS AND FUTURE RESEARCH

Since a wide range of variables were included in our study, only a limited number of clinical nurses were interested in participating. Furthermore, only 2 hospitals were involved in this research; therefore, it is proposed that in view of the response rate, future research should consider adjusting the research variables. Organizations face challenges in the external environment and changing internal context, and leaders will alter their behaviour to adapt to these environment changes. Therefore it is proposed that longitudinal research methods can be adopted in future investigations into how changes in organizational context impact on leadership behaviour. Will these changes create a brand new organization culture? And how will these changes in leadership behaviour influence employee behaviour and their contribution to the organization? Administrators usually adjust their leadership behaviour in order to reach the organizational goal. It is proposed that future research can explore the type of leadership behaviour that will shape a particular culture within an organization. Thus, administrators can achieve the objective of shaping a new organization culture by adopting different leadership behaviour training programs.

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