

Impact of Organizational Culture on the Employees' Commitment: Relationship between Levels of Organizational Culture with Commitment

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ABSTRACT

The main aim of this paper is to examine the impact of organizational culture on the employees' commitment towards organizational goal. Further, it focuses on three levels of organizational culture (i) surface level, (ii) espoused values and (iii) assumptions values, and their relationship with commitment of employees' whether it is form of emotional attachment of employees or obligations for employees. Detailed literature review shows that organizational culture enhances the commitment of employees towards organizational goal. Organizational culture is compulsory part of the organization on which organization's success or failure depends. Those organizations, which succeed in implementing the culture efficiently in the organization, lead the marker or gained high profitability. The organizational culture increases the employee's commitment through installing different level (surface level, espoused values, basic assumptions and values) of culture in the organization.

JEL. Classification: J31; J81; P37

Keywords: Organizational culture, surface level, espoused values, basic values, normative and affective commitment.

1. INTRODUCTION

Organizations need to build up their culture for the survival in the market and each organizational culture is different from the other. The culture of the organization influences the work gets done

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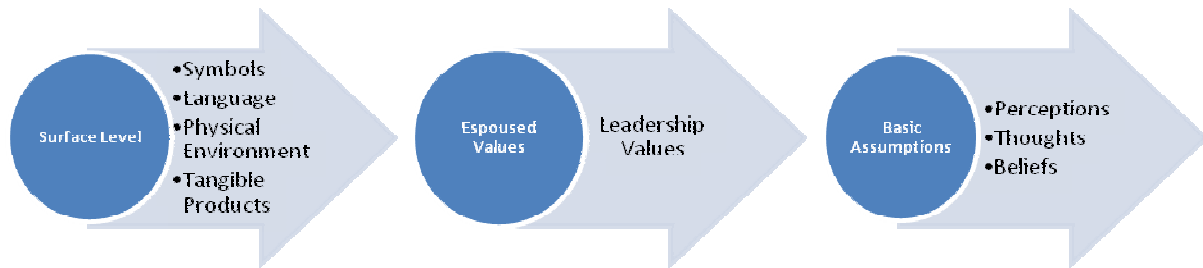
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in the organization, whether it is strong or weak culture. Organizational culture influences the organization in different angles but this study only focused on the workforce commitment aspect of the organizational culture. In this era of competition, organizations need such culture that increases the employee commitment (**Keren, Langlands, Stroh, Northcraft, and Neale 2002**). Employee's commitment comes from the workforce that shows the level of attachment with the organization and these levels of commitment effect the organization.

In the decade of 1980s, researchers more concentrated on the organizational culture, considered one of the vital determinants of success. The fundamental determinant of organization's success is strong culture. Organizational culture came into being with the interaction of employees with each other. The culture of organization differentiated from the other on various bases. The culture formation in the organization involved *various factors such as workforce, leadership, owner, size and background*. Organizational culture gives the authority to manager and workforce for the usage of resources. The culture of an organization motivates the workforce, which affects the performance of organization. Researchers divided the culture into weak and strong culture. The organization that consist the clear and comprehensive shared value and belief lead the strong organizational culture. Strong culture increases the workforce performance by energizing with good working environment and coordination among employee behavior (Andre **2008**: 572).

The culture of an organization can be build with the assistance of major four factors (*personal and professional characteristics of People within organization, organizational ethics, property rights that the organization gives to employees, and structure of organization*). Each organization developed own culture with the interaction of these four factors and may change with the passage of time. The development of organizational culture based on the people that establish the organization. The people's shared value within organization becomes more similar with the organizational values, which lead optimum performance. The cultural value depends on top management, which also establishes ethics for employees to deal with each other. The moral values and ethic values are part of culture that shapes the values. The establishment body of ethic values influences the organizational culture (**Schein 2010**).

Organizational culture appears in various forms on the different levels; but Hofstede (1990) introduced four levels of organizational culture including *shared assumptions, cultural values, behaviors and cultural symbols*. These support the organization in building organizational culture. According to **Schein (1999)**, each organizational culture has three levels: surface, espoused and basic assumption.



The culture gained more importance now than past and organization requires for the development their workforce. Currently, organizational culture is fundamental component of each business. The organizational culture communicates to all the levels of management because organization achieves goal when values are shared among all workforce of the organization. The workforce aligned with the culture of organization gives lot of benefits to the organization.

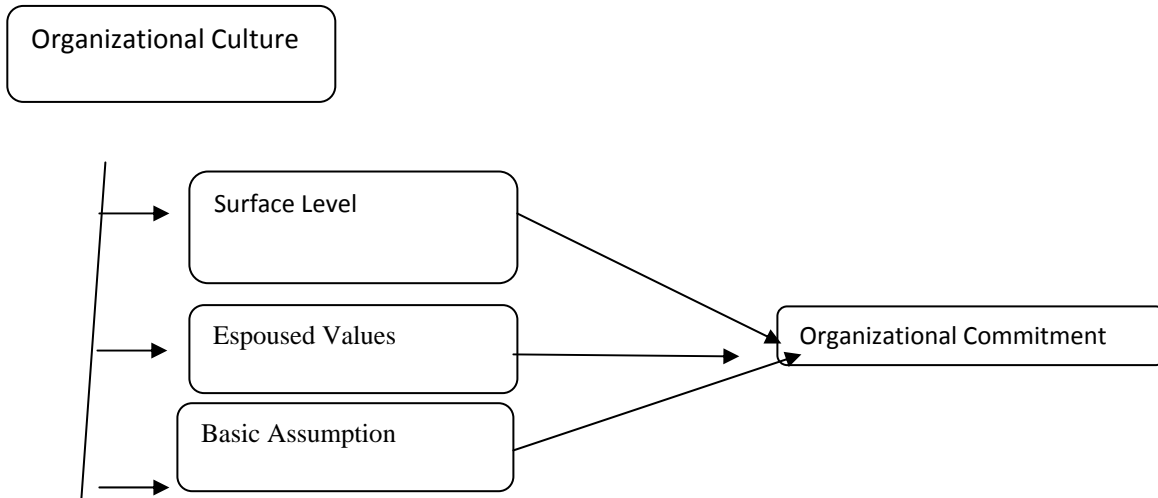
This **study examines** the relationship between the organizational culture and workforce commitment. Positive culture enhances the commitment of employee that accomplishes the organizational goal effectively. This study has wide scope and it will support the organization to build a better culture that increases the employee commitment and gives competitive information to the follower and researcher on establishing workforce commitment through organizational culture as well as understanding how an organization creates a better culture that improves the workforce commitment and involvement. Structure of Remaining paper is as below:

2. LEVELS OF COMMITMENT

The workforce around the world is now well educated and knowledgeable, which increased their mobility and finding better employment and benefits. The commitment has different dimensions and **Angle and Perry (1981)** link the commitment to the organizational goal. **Reilly and Chatman (1986)** give three dimensions of commitment including *compliance, identification and internalization, and moral*. Calculating direction given by **(Penley and Gould (1988), Meyer and Allen (1991)** established model with *affective, continuance and normative commitment*. **Mayer and Schoorman in (1992)** presented model of commitment with value and continuance. This research, focused on model of organizational commitment. Organizational commitment is comprised with three elements: affective, continuance and normative commitment. Affective commitment is emotional affiliation of employees with the organization (**Wankel 2009**). Affective commitment is consisting three factors: *beliefs, willingness and desire towards the organizational goal (Porter 1974)*. **Mowday (1982)** categorized the affective commitment with personal and structural characteristics, job and work experience.

Continuance commitment refers to employee's benefits attached with leaving organization or it is investment of employee in the organization. This investment of employee is given at the time of retirements or emotional attachment with other employees. Normative commitment refers to the obliged feeling of an employee towards organization. It is value of loyalty and responsibility of employee regarding his commitment with the organization (**Meyer and Allen 1991**).

2.1. Theoretical Framework



Based on theoretical framework and literature developed hypotheses are as below:

- H1: There is positive relationship between the surface level of organizational culture and organizational commitment.
- H2: Espoused level of organizational culture enhances the organizational commitment
- H3: Basic assumption of organizational culture directly relates to organizational commitment
- H4: Positive organizational culture leads the organizational commitment.

3. LEVELS OF ORGANIZATIONAL CULTURE

3.1. Surface Level of Organizational Culture towards Organizational Commitment

The surface level of organizational culture is including physical environment, symbols, language and tangible products. The physical environment invites the people of different backgrounds that used inclusive language. First organization focused on the physical environment in which employees interact with each other. The effective environment provides happiness to the employee of organization, which increases the emotional attachment with the organization (George 2009). The organizational affective commitment increases with providing environment in which employee feels better and comfort to work and employee easily interact with each other in pleasant environment. Existing culture of the organization regarding employees is long-term investment in the organization and its return at the end. Many researchers argue that continuance commitment is low as compared with affective commitment with the organization (Meyer and Allen 1997). The ritual and ceremonies conducted by the organization influence the degree of attachment of employee with organization and true narrative stories for new employee encourage his/ her affective commitment. The emotional attachment with the organization is difficult to measure. The effective communication within the

organization not only increases the performance of the firm but also enhances the affective commitment toward the organization of employee. The artifact or surface level of organizational culture encourages the employee, and enhances their level of confidence regarding their attachment with the organization (**Nelson and Quick 2000**). The culture of an organization established set of values among the employees of organization to form affective commitment that optimize the organizational performance (**Basu 2009:235**).

3.2. Espoused Values of Organizational Culture towards Organizational Commitment

Espoused values show the stated values and norms of an organization, which significantly correlated with the commitment of an organization. Espoused values of an organizational culture are associated with three directional organization commitment. Espoused values are organizational legal values in which some are compulsory to follow and must be implemented by the leader or manager of an organization. The organizational leader sets the target for employees, emphasized on its achievement, and allows relaxing time that increases the commitment (**Cooper 2003:35-36**). Organizational culture developed by leadership or executives and espoused values are the aspiration of the leader. The leadership brings different option for different backgrounds and identifies the opportunities and challenges confronted by organization in future too. The implementation of strategies regarding organizational culture supports the commitment of employee. The leadership strategies and values decrease the uncertainty of employee and encourage their commitment with the organization (**Whetten and Cameron 2004**). The difference between the individual values and espoused values is necessary for employee to align with mission and strategies of organization (**Ferrando 2010**).

3.3. Basic Assumptions of Organizational Culture towards Organizational Commitment

Basic assumptions and values of an organization are thoughts, perception or essence, which makes difficult to leave due to its existence on unconscious level. The basic assumptions and values of organization in problem solved with external adaptation and internal integration build up the commitment of employee (**Schein 1991**). The well-established model of basic assumptions and values regarding organizational attitude helps in developing high degree of commitment of employee with the organization (**Fink 1992**). The fundamental pattern of shared values and assumptions build up the employee commitment (**Mcshane 2006**). Organization can build up the trust of employee with shared values among the employees that establish the basic assumptions and value of organizational culture. These factors improve the motivation and commitment of employee towards organizational goal (**Mcshane 2006**).

According to **Denison (1984)**, effective organizational culture of an organization builds up high commitment environment that improve the return on investment and organizational performance. The performance of organization through organizational commitment indicates optimized performance (**Petty, Beadles, Lowery, Chapman and Connel 1995**). The cultural assessment gives the opportunity to organization to find out gap between the current and desired culture, which helps the organization in improving commitment (**Schein 1991**). Culture is integral part of organizational operations, established by various factors of values, language, rituals, ceremonies and routines. Various types of organizations adopted different types of culture, but every organizational culture is compatible with the three level of organizational culture. Organizational

culture has three levels, which support the organization in improving and establishing highly motivated employee in the organization (Schein 1991).

4. CONCLUSIONS

Many researchers reflect their opinions on the importance of organizational culture and its factors, which influence the organizational performance. Researchers adopted Schein (1991) model of organizational culture and established its relationship with commitment. Various levels of organizational culture influence the commitment of employees on different levels. Organization establishes and implements the basic three levels of culture in the organization efficiently. Each level of organizational culture influences the organizational commitment. It is concluded through literature that physical environment, language and visible product enhance the affective commitment, continuance commitment and normative commitment, when founders of organizational culture implement the artifact, espoused values and basic values in organizational effectively and efficiently. Espoused values regarding leadership has greater importance because leader/ manager always plays a major role in establishing well managed environment for diverse employees that increases their commitment. Basic assumptions and values of organization built up an environment in which values and norm played a role. The leadership established values and norms for the organization in which strategies, rules and regulations prepared regarding employees.

Continuance commitment depends on strategies of organization, which basic assumption uses and enhances the emotional attachment of employee with organizational goals. Organizational culture supports the organization in creating more motivation among employees for increasing commitment towards organizational goal. Many researchers and scholars explored the area of organizational culture and commitment, but the level of organizational culture and its relationship with organizational commitment are not explored at required level, therefore it needs to be explored. Researchers of this study followed only one model of organizational culture and follower may extend this research with other models of organizational culture.

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