Research Article

STUDY ON RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND ORGANIZATIONAL COMMITMENT

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Abstract: The purpose of this study is to investigate the relationship between the organizational culture and organizational commitment of a sugar firm. The study used two instruments, one for measuring organizational culture originally developed by Robert Quinn and Kim Cameron (2006), and other for measuring organizational commitment developed by Meyer and Allen (1991). A convenient sample collection method was followed and data from 120 respondents were analyzed. The results of the study revealed that clan culture and market culture had significant relationship with all the components of organizational commitment. From the results it is observed that the case firm adopts the clan culture having affectively committed employees. This study also helps in determining the fact that, culture and commitment helps to improve the productivity and performance of the organizations.

Keywords: *Organizational culture, Organizational commitment, Clan culture, Organizational performances*

Citation: Yashika K., *et al.*, (2020) Study on Relationship Between Organizational Culture and Organizational Commitment. International Journal of Agriculture Sciences, ISSN: 0975-3710 & E-ISSN: 0975-9107, Volume 12, Issue 24, pp.- 10555-10557.

Academic Editor / Reviewer: Prof Dr Pratibha Devi Sharma, Dr Vipul N Kapadia

Introduction

The success of an organization depends, to a larger extent, on understanding of the organizational culture. It is defined as the set of values, norms, standards for behavior and shared expectations that influence the way in which individuals, groups and teams interact with each other and co-operate to achieve organizational goals [1]. Organizations implement the principles, values and priorities to staff, which are crucial for understanding the organizational culture. The culture determines the common perceptions of the employees and influences their actions in the workplace, including their loyalty to the organization. Hence strong culture can be considered as a guiding force to improve employee's efficiency and that leads to the improvement in productivity and organizational performance enhancements.

On the other hand, commitment has significant impact on enhancing the organizations performance. Organizations *viz.*, TATA consultancy, Hindustan Unilever, Twitter and Adobe have strong organizational culture, commitment and ultimately leads to the higher performance. It is an attitude that represents the commitment of workers in the organization. This sense of cohesion among organizational members is the key to increase organizational performance. Employees contribute all their efforts to work and for the development of organizations. This happens, when organizational members have a sense of belonging to the organizational goals, mission and values. Further, employees are committed and having the same norms and value as per organizations have, can increase the performance towards achieving the overall organization goals. There are many studies relating to the impact of culture and commitment on organizational performance as in-service sectors, IT sectors and manufacturing sectors whereas in the agribusiness domain the study has been limited to a greater extent. Studies conducted by [2], [3], and [4] have supported the importance of culture and commitment on organizational performances.

Organizational culture helps in breaking down the boundaries between individuals and teams, provides guide in decision making and improve the overall workflow and loyalty among the employees. Most organizations found gap between their existing and their desired cultures. These cultural gaps provide insight to an organization's ability to change and transform it to enhance the performance. Several studies on organizational culture revealed that cultural gap was observed between organization and their employees. This gap prevents the company from achieving the desired outcomes. This paper helps in understanding the effects of organizational culture on commitment among employees of a sugar firm.

Literature Review
Organizational Culture

"The culture of organization is the set of beliefs, values, work styles and relationships that distinguish one organization from another". Organization performance and organization culture are clearly associated [5]. Kotter and Heskett (1992) [6] identified that organizational performance having strong and healthy culture has raised the income of the organizations up to 76% within ten years and only 1% increase in the same time period but firms without culture that enhancing the performance Sean Gallagher, et al (2008) [7]. With all its dimensions, organizational culture affects various perspectives of organizational success [9]. Organizational culture has a direct impact on employees' motivation and their turnover intention. Cultures that are not friendly might lead to intention to quit behavior of employees. This eventually affects the organizational functions and services negatively. Hence, better the organizational culture, higher the motivational level of employees. Therefore, organizational culture, entailing employee's welfare, growth and development will unequivocally reduce the turnover intention behavior of employees.

A culture that is in harmony with employees' expectations will produce excellent results and healthy work environment in the organization. The cultures are very different between organizations, where they bring the best or worst out of the employees and distinguish between failing company and a successful company [10]. According to Cameron and Quinn (1990), organizational culture was divided into four types namely, clan, adhocracy, hierarchy and market.

Types of organizational culture

Quinn and Cameron, (1983) and Cameron and Freeman, (1991) introduced the Competing Values Framework (CVF), which identified four types of culture such as: clan, adhocracy, hierarchy and market culture. According to their model, it has two dimensions: (1) flexibility vs stability and (2) internal and external orientation. The vertical axis examines whether an organization focuses more on flexibility or stability, and its horizontal axis examines whether the organization looks more inward or outward.

a. Clan culture: This culture focusses on the flexibility and a friendly workplace in which individuals exchange personal and professional experiences [11]. Loyalty and custom are the major factors that bind the company. In this form of culture, progress is shown when workers are comfortable because, they become part of the company and also display customer sensitivity. Involvement, opinion and teamwork are the key to this type of culture.

b. Adhocracy Culture: This dimension includes the external environment in which workers are looking for challenges, opportunities and risks. Hence it is also known as innovative culture [12]. In the midst of situations of complexity and knowledge overload, organizations in this community foster adaptability, innovation and flexibility.

c. Hierarchy Culture: Cameron and Quinn (2006), characterized this culture based on standardization and multiple hierarchy levels. This culture is systematic, structured, segmented and has intelligible lines of authority and obligation, as well as a controlled and procedural working environment. This is distinguished from others by its focus on the inner environment and its emphasis on measurement, recording, record keeping and control of communication.

d. Market Culture: This culture is characterized based on competitive dynamics, control and direction to external environment. It is result oriented with tough and demanding leaders. This culture is based on the dynamics of competition not only between the market competitors but also within the employees or coworkers.

Organizational commitment

Organizational commitment refers to the belief of an employee in the values and goals of the organization, willing to remain as a part of the organization and loyalty to the organization [13]. Commitment is the individuals' innate sincerity, which develops the desire to work hard and give results even in difficult and adverse conditions. Based on the side-bet theory of Becker's (1960) [14], commitment was shown to be less affective and a more calculative term that is a feature of the organization's cumulative interests, such as pensions and seniority. It occurs as a result of an individual's identification with and attachment to an organization's goals and values due to intrinsic motivation provided by leaders and organizations. In many ways, commitment influences the company's success as it helps to predict personal actions. These workers make a greater effort to accomplish company goals and have more productive partnerships within the organization. The commitment has positive effects on turnover intention, absenteeism, work productivity and motivation and is an effective tool for organizations for increasing their productivity efficiently [15].

Organizational commitment model

Meyer and Allen (1991) [26] developed a model for organizational commitment that consists of three dimensions: affective, continuance, and normative commitment. These dimensions have been adopted in this study to examine the organizational commitment of employees in the organization.

a. Affective Commitment: It refers to the affective attitudes towards the enterprise (*i.e*) employees are emotionally attached to the organization [17]. Members that are involved at an affective level remain with the company because they see their personal work relationship as associated with the organization's goals and values.

b. Continuance commitment: Continuance commitment refers to the cost associated with leaving the organization [18]. It is considered to be calculative because of the awareness of the member or consideration of expenses and threats associated with leaving the organization.

c. Normative Commitment: Normative commitment refers to "commitment based on a sense of obligation to the organization" (Allen & Meyer, 1996). Employees with normative commitment are willing to make personal sacrifices for their firm and believed the right and moral thing that can be done. It is an obligation to remain with organization for moral or ethical reasons.

Hypothesis

A hypothesis was generated to explore the relationship between organizational culture and organizational commitment.

There is a significant relationship between components of organizational commitment and organizational culture (independent variable).

Material and Methods

In this research, a convenient sampling method was used to collect the primary data from the employees. The study was conducted in Erode district, Tamil Nadu. An integrated questionnaire containing demographic and instruments to measure culture and commitment was developed specifically for the study. Instruments such as Organizational Culture Assessment Instrument (OCAI) by Cameron and Quinn (1990) and Organizational Commitment Questionnaire by Allen and Meyer (1991) were used. From the population of 295 employees, about 120 employees accepted for the interview and responded. The questionnaire was validated to ensure that instruments were appropriate and the reliability of the questionnaire was 0.77 and 0.74 for culture and commitment, respectively.

Results and Discussion

Descriptive statistics such as gender, age, educational level, work experience and job position were analyzed. The results are presented in [Table-1].

Table-1 *Demographic profile*

Demographic	Categories	Frequencies	Percent
Gender	Male	92	76.67
	Female	28	23.33
Age	20 – 30	28	23.33
	31 – 40	50	41.67
	41 – 50	29	24.17
	>50	8	10.83
Education level	Diploma	21	17.50
	Graduate	57	47.50
	Post Graduate	40	33.33
	Doctorate	2	1.67
Work experience	1-5 years	36	30.00
	6-10 years	43	35.83
	11-15 years	31	25.83
	>15 years	10	8.33
Income	20,000 - 30,000	80	66.67
	31,000 - 40,000	29	24.17
	41,000 - 50,000	8	6.67
	>50,000	3	2.50
Job position	Workman	90	75.00
	Supervisor	18	15.00
	Head of Department Manager	10	8.33
		2	1.66

From [Table-1], it is observed that the number of male employees exceeds the number of females due to the nature of the company. An overall percent of the employees was aged from 31 to 40 years, which reflects the employees of this age were more cooperative and willing to help. About 47.50 percent of the employees' had undergone Bachelor's degree. Results showed that 35.83 percent of the employees have 6 to 10 years' of work experience. A total of 75 percent of the employees held workman job positions.

Hypothesis Testing Results

To test the hypothesis, simple linear regression was used to examine the relationship between organizational culture and organizational commitment.

[Table-2] shows that there is a significant relationship between organizational culture and organizational commitment with Pearson coefficient correlation value of 0.75 and R square value of 0.59. Results indicated that organizational culture explains 59 percent of variance in organizational commitment.

Table-2 *Model Summary (Organizational Culture and Organizational Commitment)*

Model	R	R square	Durbin-Watson	Sig value
1	0.75	0.59	1.78	0.000

From [Table-2], Durbin-Watson statistic was used to detect the existence of auto-correlation in the residuals from a regression analysis. The value below 2 represent positive correlation among the errors and values above 2 represent negative correlation. Thus, the finding indicates the Durbin-Watson statistic with 1.78 which represents the positive relationship between organizational culture and commitment.

Relationship Between Organizational Culture and Organizational Commitment

The multiple regression analysis was conducted to study the relationship between organizational commitment as dependent variable and culture, age, education, work experience, income as independent variables.

Table-3 *Relationship between organizational culture and commitment*

Particulars	Partial regression Co- efficient	Standard error	T- value
Constant	16.955**(.000)	1.753	9.673
Age	0.564**(.000)	0.018	5.124
Educational qualification	-0.039(.528)	0.130	-0.633
Experience	0.382*(.004)	0.039	2.932
Income	-0.229(.042)	0.000	-2.056
Clan culture	0.171*(.009)	0.003	2.666
Adhocracy culture	0.057(.368)	0.008	0.904
Market culture	-0.134*(.039)	0.007	-2.087
Hierarchy culture	-0.099(.117)	0.006	-1.579
R^2	0.589		
F – value	19.899**(0.000)		
Number of observations	120		

[Table-3], revealed that clan culture of the sample respondent was positively related with organizational commitment (commitment increases by 0.171 unit). It showed that when clan culture increases, the commitment also increase and vice versa. However, in case of market culture, it is inversely related with organizational commitment. This represents that market culture had a negative relationship with organizational commitment. The adhocracy culture and hierarchy culture of the sample respondent had no significant influence towards organizational commitment.

Conclusion and Recommendation

This study has identified the relationship between organizational culture and organizational commitment in a private sugar firm. From the results it is found that the firm adapts clan culture in their organization and thus helping employees improving their commitment levels. The results had also contributed to a better understanding of each element of organizational culture and emerged as key factor in determining the level of organizational commitment. It is in support with the study conducted by [19-23] revealed positive relationship between culture and commitment. Also [24] found that organizational culture was the significant tool for increasing the organizations commitment. In order to increase the level of commitment among the employees, the top management needs to adopt clan cultural practices among employees implying that a healthy culture is the sign of healthy organization. Culture has a deep impact on the performance of employees that can cause to improve in the productivity and enhance the organizational performance.

Application of research: To analyze the perception of employees towards their organizations culture and its influence on organizations performance.

Research Category: Agriculture and Rural Management

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University: Tamil Nadu Agricultural University, Coimbatore, 641003, India
Research project name or number: Research station study

Author Contributions: All authors equally contributed

Author statement: All authors read, reviewed, agreed and approved the final manuscript. Note-All authors agreed that- Written informed consent was obtained from all participants prior to publish / enrolment

Study area / Sample Collection: Erode - 638001, Tamil Nadu, India

Conflict of Interest: None declared

Ethical approval: This article does not contain any studies with human participants or animals performed by any of the authors.
Ethical Committee Approval Number: Nil

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