Powerful Influence of Organizational Culture on Employee Suggestion Systems in Ensuring Corporate Success

B. Swathi[1], Sunil Kumar[2]

Abstract

Organizational Culture includes the organization values, visions, norms, working language, systems, symbols, beliefs and habits. Organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. The research examines a variety of dimensions of employee performance. The data used in this study came from an employee suggestion systems survey conducted. The findings of the survey coupled with existing literature allowed the researchers to make recommendations to increase employee performance and ultimately increase employee productivity. The recommendations are increasing team building trainings, conducting an organizational culture inventory, increase recognition, and implementation of 360 degree evaluations of all employees. The study investigated the various strategies for organizational culture and support and its effect on workers performance. Eight (8) organizations were selected by simple random sampling technique. They were stratified into three (3) public sector and five (5) private service organizations. Through proportional allocation method of the stratified sampling technique, a total of 60 respondents were selected. Questionnaires were either self-administered or through the face-to-face interview. Both descriptive and inferential statistics were used in the analysis.

Keywords: Employees Suggestions; Workers Performance; Organizational Culture; Job Analysis; Job Satisfaction.

Introduction

Organizational culture is the behavior of humans who are part of an organization and the meanings that the people attach to their actions. Robert A. Cooke defines culture as the behaviors that members believe are required to fit in and meet expectations within their organization. When one views organizational culture as a variable, one takes on the perspective that culture is something possessed by an organization? Culture is just one entity that adds to the organization as a whole. Culture can be manipulated and altered depending on leadership and members.

Author's Affiliation: [1]Principal, Global Education Centre (M.B.A) Moinabad, Hyderabad, Telangana, India - 501504. [2]Officer-In-Charge, Defense Standardization Detachment, Vishakapatnam, Andhra Pradesh, India - 530027.

Reprint's Request: B. Swathi, Principal, Global Education Centre (M.B.A) Moinabad, Hyderabad, Telangana, India - 501504

E-mail: bais.swathi76@gmail.com

Healthy organizational cultures

Organizations should strive for what is considered a "healthy" organizational culture in order to increase productivity, growth, efficiency and reduce counterproductive behavior and turnover of employees.

A variety of characteristics describe a healthy culture, including:

- Acceptance and appreciation for diversity

- Regard for and fair treatment of each employee as well as respect for each employee's contribution to the company

- Employee pride and enthusiasm for the organization and the work performed

- Equal opportunity for each employee to realize their full potential within the company

- Strong communication with all employees regarding policies and company issues

- Strong company leaders with a strong sense of direction and purpose

- Ability to compete in industry innovation and customer service, as well as price

- Lower than average turnover rates (perpetuated by a healthy culture)

- Investment in learning, training, and employee knowledge.

Need for the Study

Ravasi and Schultz (2006) state that organizational culture is a set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behavior for various situations. At the same time although a company may have their "own unique culture", in larger organizations, there is a diverse and sometimes conflicting cultures that co-exist due to different characteristics of the management team. The organizational culture may also have negative and positive aspects. Schein (2009), Deal & Kennedy (2000), Kotter (1992) and many others state that organizations often have very differing cultures as well as subcultures.

Research Objectives

The primary objective of this study is to assess the impact of organizational culture on employee suggestions are as follows:

1. To ascertain if organizational culture affects employee suggestions systems.

2. To determine empirically the relationship between organizational culture and employee suggestions systems.

3. To formulate recommendations regarding organizational culture and employee suggestions systems.

Scope of the Study

The study was carried out by taking a sample size of 60 employees of public and private sectors has presented a holistic conceptual framework of organizational culture and its impact on employees' suggestions systems and subsequent job performance and retention.

Research Methodology

A structured questionnaire, using Likert five-point rating scale was prepared, which was administered as a schedule. A systematic variation in the organizational culture and employee suggestions systems was found between workplaces, and the variation in job analysis was attributed to several organizational levels. Organizational characteristics of workplaces have an impact on the working environment and thereby participation of employees.

Literature Review

Organizations are known for their unique cultures. With globalization there has been a plethora of changes in the working patterns. The old concept of bureaucratic organizations has given place to participative management style where employees are encouraged to give their expert opinions and take independent decisions. Human Resources Department plays a pivotal role in bringing major changes in the working style of an organization. As human resource activities grow in scope and complexity, many human resource practices such as recruitment and selection, compensation, performance management, career planning, training and development and rewards are delegated to the Human Resource department. Organizational culture defines the way employees complete tasks and interact with each other in an organization. The cultural paradigm comprises various beliefs, values, rituals and symbols that govern the operating style of the people within a company. Corporate culture binds the workforce together and provides a direction for the company. In times of change, the biggest challenge for any organization may be to change its culture, as the employees are already accustomed to a certain way of doing things.

Types

The dominant culture in organizations depends on the environment in which the company operates the organization's objectives, the belief system of the employees and the company's management style. Therefore, there are many organizational cultures. For example, highly bureaucratic and well-structured organizations typically follow a culture with extensive controls. Employees follow standard procedures with a strict adherence to hierarchy and well-defined individual roles and responsibilities. Those in competitive environments, such as sales, may forgo RICT hierarchies and follow a competitive culture where the focus is on maintaining strong relationships with external parties. In this instance, the strategy is to attain competitive advantages over the competition. The collaborative culture is yet

another organizational way of life. This culture presents a decentralized workforce with integrated units working together to find solutions to problems. Collins and Porras, 2000 identified that organizational culture always refers to a system of shared meaning held by members of the society that distinguish one organization from other organizations. The members believe that these shared meanings are a set of key characteristics, and that the organization values and the essence of an organization's culture can be captured indifferent basic characteristics. Of these characteristics, some are: (1) Innovation and risk taking which characterizes the degree to which employees are encouraged to be innovative and take risks while performing their duties; (2) Attention to detail which identifies the degree to which employees are expected to exhibit precision analysis and attention to detail; (3) Outcome orientation refers to the degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve those outcomes; (4) People orientation focuses on the degree to which management decisions take into consideration the effect of outcomes on people within the organization; (5) Team orientation discusses the degree to which work activities are organized around teams rather than individuals.

Materials and Methods

Table 1: Details of the respondents

Variables (n=60)	Number	%
Public sector	30	50
Private sector	30	50
Total	60	100

Sample

For the present study a sample consisting of 3 public sector organizations and 3 private sector organizations have been selected. Sample size includes 60 employees [30 from public sector and 30 from private sector] constituted the sample on the basis of incidental sampling technique. The age ranges from 30 – 50 years. The study is limited to respondents selected from Hyderabad.

Tools used

The tools used for hypothesis testing Karl Pearson's Coefficient Correlation. Research hypothesis states that organizational culture is not positively related to employee suggestions systems. The null hypothesis, which is assumed to be true until proven wrong, is that there is really no relation between these two parameters.

Hypotheses

H_0: Organizational culture is not positively related to employee suggestions systems.

H_1: Organizational culture is positively related to employee suggestions systems.

Results

Table 2: Organizational culture Constructs: Mean and Standard Deviation of Employees Agreeing and Disagreeing.

S. N.	Organizational culture **Constructs**	Mean	SD
1	Do you agree management believes that employees are the most important asset of firm?	4.1	0.40
2	Do you agree employees are constantly watched to assure that rules and procedures are followed?	4	0.63
3	Do you agree employees share a pride in their work?	4.5	0.54
4	Do you agree organization has a code of professional conduct that employees are expected to follow?	4.1	0.75
5	Do you agree management encourages creativity, innovation, and continuous improvement among staff?	3.8	0.40

Table 3: Organizational culture Constructs: Frequency and Percentage of Employees Agreeing and Disagreeing

S. N.	Organizational culture Constructs	SDA	DA	N	A	SA
1	Do you agree management believes that employees are the most important asset of firm?	0	0	0	0	1
2	Do you agree employees are constantly watched to assure that rules and procedures are followed?	0	0	1	4	1
3	Do you agree employees share a pride in their work?	0	0	0	3	3
4	Do you agree organization has a code of professional conduct that employees are expected to follow?	0	0	1	3	2
5	Do you agree management encourages creativity, innovation, and continuous improvement among staff?	0	0	1	5	0

Table 4: Employee Suggestions Systems.Constructs: Mean and Standard Deviation of Employees not sure and saying yes

S. N.	Employee Suggestions Systems Constructs	Mean	SD
1	Does your organization have a steady, uninhibited flow of improvement ideas from employees?	4	1.09
2	Do you regularly give improvement ideas that effect the bottom line of your organization?	4	0.89
3	Are you confident that employees are actively searching for improvement ideas and otherwise thinking about ways to increase productivity, quality and customer satisfaction?	4.6	0.51
4	Do employees fully utilize their creative and analytical abilities to generate workable improvement ideas?	4.5	0.83
5	Are you confidential that potentially useful ideas are never stifled by employees or supervisors?	4.5	0.54

Table 5: Employee Suggestions Systems.Constructs: Frequency and Percentage of Employees not sure and saying yes

S. N.	Employee Suggestions Systems.Constructs	NS	N	RA	OF	Y
1	Does your organization have a steady, uninhibited flow of improvement ideas from employees?	0	1	0	3	2
2	Do you regularly give improvement ideas that effect the bottom line of your organization?	0	0	2	2	2
3	Are you confident that employees are actively searching for improvement ideas and otherwise thinking about ways to increase productivity, quality and customer satisfaction?	0	0	0	2	4
4	Do employees fully utilize their creative and analytical abilities to generate workable improvement ideas?	0	0	1	1	4
5	Are you confidential that potentially useful ideas are never stifled by employees or supervisors?	0	0	0	3	3

Discussions

This presents the research findings and discussion of the results with reference to the specific research objectives.

Impact of Organizational Culture on Employee Suggestions Systems

The study sought to find out the impact of organizational culture on employee suggestions systems. The results obtained were as shown in figure below.

As shown in the figure 1, 0% of respondents strongly disagree and 0% disagree their organizational culture is not efficient. 10% are neutral and 43.3% strongly agree. A majority of 46.6% agree that their organizational culture is efficient in encouraging employee suggestions.

As shown in figure 2, 0% of the respondents are not sure whether employees suggestions systems are accepted or not. 3.3% gave response as no. 10% of respondents are neutral in their views. 36.6% gave response as oftenly. A majority of 50% of the respondents say yes their organizations do accept employee suggestions systems. The below figure shows the Pearson correlation between organizational culture and employee suggestions systems.
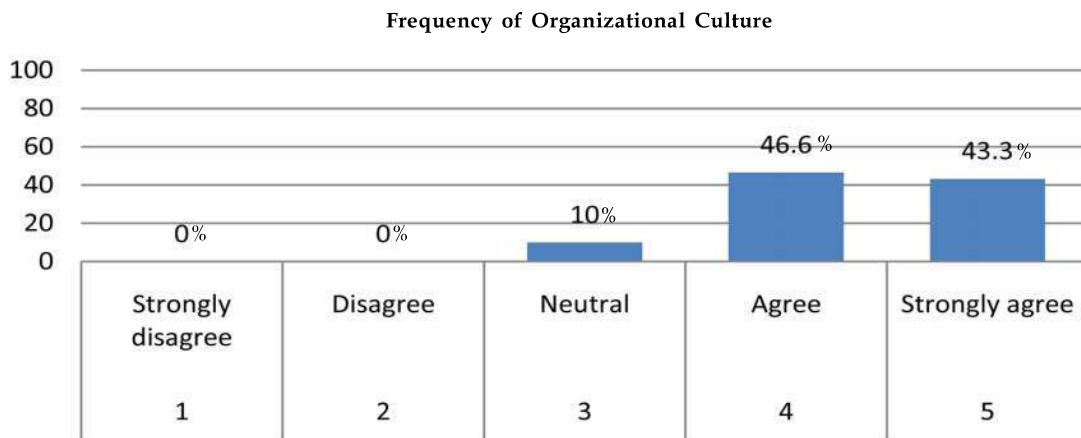

Frequency of Organizational Culture

Fig. 1:

Table 6:

S. N.	Factor	Frequency	%
1	Strongly disagree	0	0
2	Disagree	0	0
3	Neutral	3	10
4	Agree	14	46.6
5	Strongly agree	13	43.3
Total		30	100

Table 7:

S. No.	Factor	Frequency	%
1	Not sure	0	0
2	No	1	3.3
3	Rarely	3	10
4	Oftenly	11	36.6
5	Yes	15	50
Total		30	100
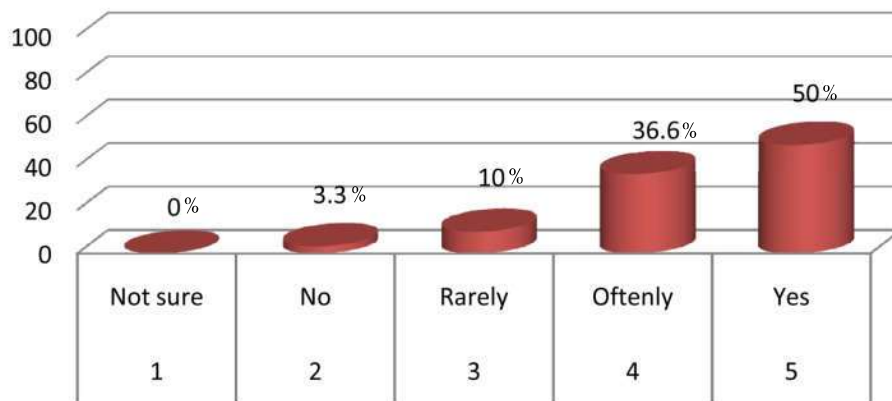
Fig. 2:

Table 8: Pearson Correlation Between Organizational Culture and Employee Suggestions Systems

S. N.	X	Y	X2	Y2	XY
1	26	24	0.36	4	1.44
2	25	24	0.16	4	0.64
3	24	28	0.16	4	0.64
4	27	27	2.56	1	2.56
5	25	27	0.16	1	0.16
	$\sum X = 127$	$\sum Y = 130$	$\sum x^2 = 3.4$	$\sum y^2 = 14$	$\sum xy = 5.44$

$$r_{xy} = \frac{n\Sigma XY \ \ \Sigma X\Sigma Y}{\sqrt{[n\Sigma X^2 \ \ (\Sigma X)^2]\times[n\Sigma Y^2 \ \ (\Sigma Y^2)]}} \ \ r=0.795$$

1. Coefficient of determination= 0.795x 0.795=0.63 [r2]

2. Coefficient of non-determination = 1-0.63 = 0.37[1-r2]

3. Determination of alienation = "0.37=0.608 ["1-r2]

4. Significance of correlation = P.E.= 0.6745 x 1-r2/ "N =0.6745 X 0.37/2.23= 0.11

0.79> 0.11; r>6P.E; Coefficient of correlation is certain ; r is significant. The value 0.795** shows the correlation is significant at 0.05 level. There is a significant association between Organizational culture and employee suggestions systems. Hence, H_0 is rejected. H_1 is accepted.

Recommendations

The study revealed that recognizing employees for their suggestions is important if we want to create an

engaged culture in our organization and encourage more ideas. However, it is important to know *how* one should recognize employees for their suggestions. There are many great ways to recognize employees, but money is not one of them. Employees want their good work to be acknowledged and appreciated, with more than just money. Responding and acting on employee suggestions will engage employees and encourage them to submit more helpful ideas. Acting on them will also show employees that their suggestions are taken seriously and want to use them to improve organization.

Conclusion

Many of employees probably have similar suggestions, so encourage employees to work on others' suggestions to improve them. Let employees provide feedback on other employees' suggestions to help expand upon those suggestions. Allowing employees to provide feedback on others' suggestions can also encourage participation in submitting suggestions. This can help manager to understand the organization more and his employees' needs. He ill gain more insight from his employees. The study showed results in terms of organizational culture and employee suggestions systems. Pearson correlations signified that that the organizational culture is positively related to employees' suggestions systems in the members of public sector and private sector organizations. Organizational culture and support strategies will impact positively on workers' performance. This enhances the employee contributions to the success of the organization.

References

1. Biswajeet Patnaik. Human Resource Management, PHI Learning Pvt. Ltd., 2005

2. Davey P.J., & Brown J.K. The corporate reaction to "moonlighting". The Conference Board Record, 1970;7(6):31-35.

3. Udai Pareek, T.V. Rao. Designing and Managing Human Resource Systems", Jain Book Depot. 2012.

4. Bratton J and Gold J., Human Resource Management, Theory and Practice, New York: Palgrave Macmillan. 2003.

5. Organizational Behavior: Managing People and Organizations by Gregory Moorhead, Hardcover: 628 pages, Publisher: Houghton Mifflin Company

6. Human Resource Management (9th Edition) by Gary Dessler, Hardcover: 592 pages, Publisher: Prentice Hall.

7. Ulfelder, Steve. "Beyond the Suggestion Box: How managers at the Best Places companies encourage the free flow of ideas, suggestions and innovations." Computerworld. 27 June 2005.

8. Walter, Kate. "Employee Ideas Make Money." HR Magazine. April 1996.

9. Wells, Susan J. "From Ideas to Results." HR Magazine. February 2005.

10. Gao, L., Janssen, O., & Shi, K. (2011). Leader trust and employee voice: The moderating role of empowering leader behaviors. The Leadership Quarterly, 22(4), 787-798.

11. Hartman, A. (2007), "Overcoming resistance to innovation: the integration champion in construction", CIB TG58: Clients Driving Innovation Workshop, pp. 23-24.

12. Heresy, P. & Blanchard, K. (2001).Management of organization. Behavior: Utilizing Human Resource. New York, Prentice – Hall International Edition, Fifth Edition.

13. Jun M., Cai S., & Shin H. TQM practice in maquiladora: Antecedents of employee satisfaction and loyalty. Journal of Operations Management, 2006;24(6):791-812.

14. James Fairbank, William Spangler, Scott David Williams. Motivating creativity through a computer-mediated employee suggestion management system Behaviour& Information Technology 2003;22(5).

15. Moneim A. Staff suggestion scheme (3Ss) within the UAE context: Implementation and critical success factors, Education, Business and Society: Contemporary Middle Eastern Issues, 2009;2(2):153-167.

16. Michael W Pricel, employee suggestion programs, dallas texas December, 200.pp.5-6.

17. Milner, E., Kinnell, M. & Usherwood, B. Employee Suggestion Schemes: a management tool for the 1990s Library Management, 1995;16(3): 3-8.

18. Nouri M., & Ahanchi M. Identifying the management barriers for establishing suggestions system: A case study of educational system. Management Science Letters, 2012;2(7):2281-86.

19. Pirayesh, R., Niazi, R., & Ahmadkhani, A. Investigating the effective factors on management internal controls applying.Management Science Letters, 2012;2(4):1203-1208.

20. Recht R., & Wilderom C. Kaizen and culture: on the transferability of Japanese suggestion systems. International Business Review, 1998;7(1):7-22.