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The Impact of National Culture and Organizational Culture on Job Satisfaction: An Empirical Study of Manufacturing Sector Employees of Sri Lanka.

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To my parents who gave me love of life,
To my wife who gave me life of love,
To Chameli & Chanith who make it
Fruit full and happy

I hereby recommended that the thesis prepared under my supervision by
Samaranayake Weerasingha Kankanamge Thanuja Indrajith Samaranayake

Entitled

The Impact of national Culture and Organizational Culture on Job Satisfaction: An Empirical Study on manufacturing Sector Employees Of Sri Lanka

Be accepted in partial fulfillment of the requirement for the degree of Master of Science in Management

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Thesis Advisor

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Abstract

As it will be described in the Literature Review Culture is like water to fish. In absence of the valued culture only it began to realize the importance of that. This it self explain how important it is to understand the cultural differences, diversity, and the complexity of that. When it comes to understand the mind set of employees it is very important to know what they value most. For example in individualistic cultures personal development and career opportunities will do wonders where as those will go un appreciated in highly collectivist cultures. So when motivating, building groups and forming teams it is essential to know and understand the how people think and behave under different circumstances. Organizational culture to be effective there should be a fit between the thinking of people in the organization and the organizational Culture.

The theories on motivating people and other management tools incorporated with Job Satisfaction were developed in west especially in USA and these theories were practiced exceptionally well and the yields were phenomenal in those cultures. So by just seeing the success of those corporations management practitioners in the east have been adopting the same theories to their organizations too but the results have not been the same for them. The reason for this been that these theories as it is, is effective only in those cultures because the way and what people value, have been the bases for those theories. The basic issue behind the inspiration of the research was the ineffectiveness of these methods management parishioners practice and management gurus always advice them to practice in similar situations.

The only difference that made sense for possible miss fit in the expected and actual results through the implementation of the theories proved very effective in west was the Cultural Difference. So the objectives for the study was set based on three critical factors. One to have an understanding of the National Culture, Second to have an understanding of the factors that people will admire most out of common job satisfiers, third to have an understanding of the Organizational Culture that would inspire people to work hard. So in brief the following objectives were set for the study,

1. To measure the national culture as perceived by employees for its prominent features
2. To measure the Organizational culture as perceived by employees
3. To measure the Job Satisfaction of the employees
4. To measure the effect of other identified factors on Job Satisfaction
5. To Measure the effect of Organizational Culture on the Factors Indentified related to job Satisfaction
6. To measure the relationship of national culture as perceived by employees, Organizational culture as perceived with the Job Satisfaction of the employees as individual variables.
7. To measure the change in the effect between Organizational culture as perceived by employees and Job Satisfaction of the employees in the presence of the national culture as perceived by employees as a moderator variable.

In order to obtain the data to achieve the said objectives several manufacturing organizations was selected and opted the survey method with standard questionnaire was distributed to a selected sample of employees of those factories.

For data analysis SPSS 12 was used and Pearson's correlation and R^2 , Regression analysis, Beta value analysis, F value analysis, and paired sample T test were the basic statistical tools used.

The results of the study reveals that people in the manufacturing sector in Sri Lanka are, Power distance not preferred, Collectivistic, Feminine, and uncertainty avoidance preferred. In addition to these people are more satisfied with the quality of supervision, Working Conditions, and Promotion Opportunities, than pay and equity related rewards. And it is interesting, that they prefer if the organizational culture is geared in such a way that it can communicate to the employees what is happening inside the organization. Or in other words if the culture is communicative. And also, they prefer team work, and people orientation, but does not like, action , result and planning orientation which need to be change in order to face the competition expecting from other countries.

There are implications such as people are uncertainty avoidance preferred so they will be very reluctant towards changes, and the time spent on planning has shown very insignificant, or not planning at all. These factors will have so many unfavorable implications over the progress of the organizations.

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List of Abbreviation

OCP	Organizational Culture Profile
NCP	National Culture Profile
JS	Job Satisfaction
Pro:Op	Promotion Opportunities
Supp:	Supervision
Sup:W:C	Supportive Working Conditions
Co:W	Co Worker Attitude
W:S	Work Stress
Comm:	Communication
Re:O	Result Orientation
Pl:O	Planning Orientation
Act:O	Action Orientation
T:O	Team Orient
Pe:O	People Orientation

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Chapter 01

1.0 Organization of the Report

The first chapter of the report will focus on the Introduction to the research, introduction of the Research Problem, the Objectives, Scope and Limitations of the study, Significance and the Recommendation for the future studies. The chapter two focused on the Literature Review and here literature related to National culture, Organizational Culture and Job Satisfaction are reviewed, and Hypothesis were developed and listed too. The Chapter three focused on the Theoretical Framework where models of the study and the conceptualization of the research is done. Chapter four Research Methodology and here the research strategy, sampling method, and the sample is listed and described. Chapter Five Data Analysis, where the individual objectives are analyzed and listed with the use of SPSS 12. Chapter Six dealt with the discussion where the Objectives, the literature review and the data analysis chapters are interlinked and briefed. Conclusion is on chapter Seven.

1.1 Introduction

According to Mottaz (1985;Mottaz and Potts, 1986) the majority of the literature views job satisfaction as a function of work rewards and values. In this sense he concludes "work satisfaction represents a person-environment fit". Most early research on work satisfaction, however, focuses the relationship between intrinsic or extrinsic job rewards and satisfaction. This social psychological, or interactions, model of work satisfaction tends to neglect the influence of organizational culture or community context. An organization can be only as effective as its people. This aphorism is true for any firm which are characterized by continual and intense
Employee – employer- customer contact. Moreover, the dynamic interaction inherent in these product or service encounters means that it exert a strong influence on all the stakeholders perceptions of product service quality and their satisfaction with that. (Bitner, Booms, &Tetreault, 1990; Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994).

" A fish only discovers its need for water when it is no longer in it. Our own culture is like water to a fish. It sustains us. We live and breathe through it. What one culture may regard as essential, a certain level of material wealth for example, may not be so vital to other cultures"

Fons Trompenaars- Riding The Waves Of Culture

Human beings learn how to behave. Unlike many living creatures that have not been taught by their parents, not copied their elder brothers and sisters, or imitated the adults, but instinct have guided them to do what they are doing. That's why honey bees in Europe make their hive in a similar way to which their counterparts does in Asia and Africa.

Culture is an important element of a society. Culture is defined as patterns of values, ideas, and other symbolic-meaningful systems that shape an individual's behavior (Kroeber & Parsons 1958). Hofstede (1980) argued that: "Culture is to the human collectivity what personality is to an individual....] Culture determines the identity of a human group in the same way as personality determines the identity of an individual." Values, according to Hofstede (1980), are the building blocks of culture. Kluckhohn (1951) defined value as a characteristic of a group that influences the selection from available modes, means, and ends of action. Our mental programs, as such, are affected by our values, which affect our choices (Hofstede 1980; Kluckhohn 1951).

Culture also has the potential to affect the formation of an institution (Singh 1999) or management practice. Empirical research on the impacts of culture, however, remained sparse until Hofstede (1980) created scales for uncertainty avoidance, individualism, masculinity, and power distance as dimensions of culture (Kogut & Singh 1988). Uncertainty avoidance is defined by the extent to which people in a country prefer structured over unstructured situations (Hofstede, 1993). In a society with a high degree of uncertainty avoidance, inhabitants seek to reduce uncertainty and unpredictability. Individualism involves the degree to which individuals

in a culture are expected to act independently of other members of the society. It describes the relationship between an individual and the collectivity in society. In an individualistic society, individuals are more concerned with their interest and the interest of their immediate family rather than that of anyone else in society. In a collectivist society, in contrast, the interest of all is given a higher priority than in an