

## A Study of Organizational Culture and Employee Motivation in Private Sector Company

Hani Sakina Mohamad Yusof, Nur Shafini Mohd Said, Siti Rapidah Omar Ali

Faculty of Business Management, Universiti Teknologi MARA, Dungun, Terengganu, Malaysia

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### ABSTRACT

Organizational culture is an elementary part of what integrates the members of a group. In other words, employees must be given a chance to participate and involved in the organization and this will create a positive motivation within the organization. The management has to believe that their employees are capable of decision making and controlling the situation. Thus, employees need to understand an organizational culture as this will contribute to identify and the success of the organization. This study aims to investigate the relationship between organizational culture and employee motivation among selected employee at a private sector agency categorized as an automotive company located in Selangor. A total of 260 respondents were selected for this study. The organizational culture can be categorized into 2 main types which are bureaucratic and supportive culture. The analysis shows that these 2 types of culture have strong correlation with the dependent variable, namely employee motivation which supportive culture has more interaction toward employee motivation. The outcome of this study will give the employers a better insight on the importance of organizational culture and its influences on employee motivation.

**KEYWORDS:** Organizational Culture, Bureaucratic, Supportive, Employee Motivation.

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### INTRODUCTION

Organizational culture is very important in determining the success of the organization. It is the environment in the workplace formulated through the interaction of employees at work. Organizational culture can be learned in the social environment and can encourage the innovative behavior among members of the organization [1]. It is a combination of knowledge, belief, art moral and habits of a member. It is important to the organization in creating a good culture among the employees and it provides a framework towards motivational factors. The important element in enhancing the employee's level of motivation is the culture of organization [14].

Organizational culture is an elementary part of what integrates the members of a group. Employees must be given a chance to participate and involved in the organization [14]. In creating a positive motivation within the organization, the management has to believe that their employees are capable of decision making and controlling the situation [19]. According to [5], without motivation, employees become inefficient and costly to the organization. In building up the employee motivation, employers have to invest more such as providing more benefits to the employees, promotion, transfer, job enlargement, job enrichment and training outside the organization [5]. In this context, the organization has to be more sensitive to the needs of the employees, thus increasing their level of motivation.

#### Bureaucratic

Bureaucratic culture is characterized as hierarchical of the organization. Bureaucratic represent a clear line of responsibility and authority of the employee in the organization where it involves a well-organized and systematic structure. Bureaucratic culture is defined as a clear line of authority and hierarchy and work is highly regulated and systemized [20]. This culture creates a clear procedure that an employee has to follow in completing a task.

Other than that, bureaucratic culture is also known as a culture of having a clear line of responsibility and authority, organized the work, compartmentalized and systematic [12]. Besides, organizational culture also includes a clear line of responsibility and authority which is more systematic [21].

A bureaucratic organizational structure may interfere the margin of decision-making for employees either through centralization or formalization [17]. Bureaucratic organization structures have a tendency to undermine organizational commitment, limit innovation and restrict employee motivation [17]. As stated by [6], a well

trained staff and structure with efficient systems and procedures make bureaucratic culture work and become more powerful.

**Supportive**

Supportive culture provides friendly and warm environment where employees tend to be open, fair and honest [20]. Friendly working environment and workers tend to be fair and helpful among each other and to the organization known as supportive culture [12]. Supportive culture is characterized by perceptions of increased social support from supervisor, relationship among co-workers and high level of job involvement [3].

A supportive culture can reduce work-related stress and at the same time can increase the level of motivation, as well as improving the employee’s performance [11]. Besides, supportive culture is for ensuring that everybody feels confident, able to discuss with the team members and able to managing any uncertainties when performing a task [11]. It is important to create a supportive culture for promoting a change in the organization [16]. This may be realized by reassuring staff that it is alright to take a risk and that management will support them both in successful endeavors and during failures.

Supportive culture also can create a harmonious environment among the employees. The organization can support their employees by expressing the support through attitudes that establish the firm as trusting, equitable, safe, social, encouraging, relationships oriented, collaborative and as a giver of personal freedom [12]. An organization that applied supportive culture is more likely to be successful [15].

**Employee Motivation**

Motivation can be considered as a driving force of an action toward a desired goal. Measuring the motivation level of employees are important to an organization in understanding what motivated employees and how they were motivated. Besides that, motivated employees will help the organizations survive where employees become more productive and to be effective, the manager has to understand what motivated their employees within the context of the roles of their performance. The needs and motivation of employees become the primary focus of managers in starting the human relations approach to management [13].

Motivation has been defined as the psychological process that gives a direction and how behavior will act, an internal drive to satisfy an unsatisfied need, unmet needs, a tendency to behave in a purposive manner in order to achieve specific goals [13]. Motivation also can be addressed as the study of why people think and behave as they do [8]. Motivation drives individuals behave in a certain manner, the direction and focus of individual’s behavior and maintains, reinforces or redirects the behavior [9].

**Relationship between Organizational Culture and Employee Motivation**

Employees are not only motivated solely by money, but it will reflect by the way the organization runs their daily activities as their culture. Organizational culture can reflect on employee’s motivating factor in an organization. Organizational culture plays a critical role in developing and maintaining the motivation level among employees [9]. An employee can be more effective in his or her current job and realize his or her best potential, when there is a match between the individual’s motivation and the organizational culture [20].

In this study, the type of 2 organizational cultures by [20] was tested as an element in the independent variable which is bureaucratic and supportive culture. In a study carried out by [7] indicated that there is a positive correlation between organizational culture with employee motivation where they found that culture has an impact on each element of the theory including expectancy, instrumentality and valence.

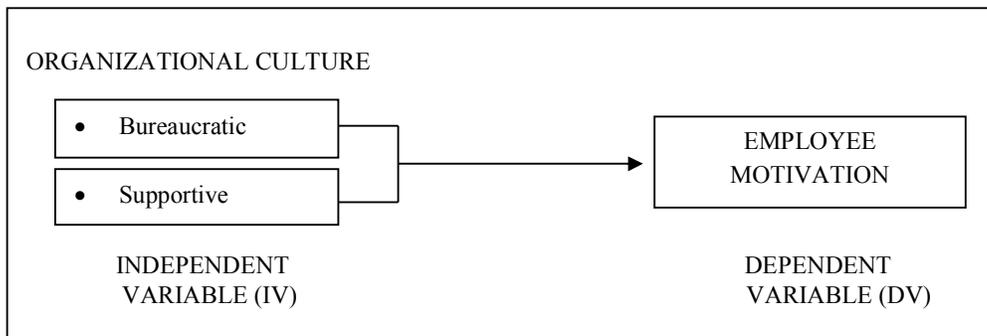


Figure 1: Conceptual framework of relationship between independent variables and dependent variable

**Hypothesis Development**

H1: Bureaucratic culture is positively related to Employee Motivation

H2: Supportive culture is positively related to Employee Motivation

## METHODOLOGY

### Research Design

The study was conducted to investigate the relationship between organizational culture and employee motivation. Therefore, the most appropriate design chosen is a correlation.

### Survey Instruments

The questionnaire was made up of 4 different sections. Section A focused on the demographic information of the respondents with items such as age, gender, race, educational level, present position, level of management and working experience. Section B had items related to organizational culture, precisely the bureaucratic culture and supportive culture. The last section, which is Section C concentrated on the employee motivation. All of that used a 5-point Likert Scale, with a value of 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree.

### Sampling Frame

The employees of private sector agency categorized as automotive industry located in the state of Selangor represent as the sampling frame of this study. From the population of 692, a total of 357 questionnaires were distributed to the respondent. A total of 260 questionnaires were received that yields to 72% response return rate.

### Sampling Technique and Process

The sampling here is confined to specific types of people who can provide the desired information, either because they are the only one who have it or to conform to some criteria set by the researcher [18]. The stratified sampling was chosen as the technique for this study. This is due to the fact that the respondents of this study came from 3 different levels of management namely top level, middle level and lower level. Specifically, the stratified sampling is the technique that involves a process of stratification or segregation, followed by random selection of subjects from each stratum [18]. The self-administered questionnaire was distributed to the targeted respondents in the private sector in Selangor by applying the drop-off and pick-up method. According to [2], the drop-off and pick-up technique are an effective technique as it reduces the potential non-response bias through increased response rate and enables a face-to-face contact and verbal communication with the respondents. The data collected was analyzed using the Statistical Package for the Social Sciences (SPSS) version 20.0. Descriptive statistics included percentages present the main characteristic of the respondents. Since this study was interested in examining the relationship of the variables indicated bureaucratic and supportive culture with employee motivation the Pearson Product-Moment Correlation Coefficient was applied.

## DATA ANALYSIS AND FINDINGS

This study discussed 2 variables namely bureaucratic culture and supportive culture that influences employee motivation. Here are the descriptive statistics for the demographic profile of the respondents. The results indicate that a total of 51.9% of the respondents are male as opposed to 48.1% female. In terms of race, majority of the respondents, 85.8% are Malay. While, in the age group, the total of 38.1% are in the range of between 28-38 years old. An employee with bachelor degree is the biggest number of respondents who participated in this study, which comprises about 37.7%. It was also found that most of the respondents, that is, 35.8% served as executive and 43.5% are from the middle level management. A total of 37.7% of them had a working experience of between less than 5 years.

### Correlation Analysis Result

Table 1: Correlation analysis result

No	Variables	1	2	3
1	Bureaucratic	1.00		
2	Supportive	0.645**	1.00	
3	Employee Motivation	0.546*	0.692**	1.00

Notes: \*\*Correlation is significant at the 0.01 level (1-tailed)

Table 1 illustrates the relationships between Bureaucratic Culture, Supportive Culture and Employee Motivation. Pearson Product Moment Correlation Coefficient was used in examining the relationship. A guideline provided by [4] was used as a measurement in examining the relationship between organizational culture and employee motivation. The values of the correlation coefficient tabulated in Table 2 indicate that

there is a positive large significant relationship between bureaucratic culture and employee motivation ( $r = 0.546$ ,  $p < 0.05$ ). Meanwhile, the correlation between supportive culture and employee motivation is  $r = 0.692$ ,  $p < 0.05$  also a positive large significant relationship between supportive culture and employee motivation. Therefore, hypothesis 1 and 2 were accepted. The result indicated that supportive culture is more correlated with employee motivation compared to bureaucratic culture.

### Regression Analysis

Investigation by using multiple regression analysis was conducted during testing the direct relationship between organizational culture and employee motivation. Model 1 in Table 2 summarize the finding of bureaucratic and supportive culture as the independent variables and employee motivation as the dependent variable.

The value of R, R-square with Durbin and Watson where used to strengthen the evidence in indicates the relationship between the independent variable towards dependent variable. The R-value for the variables is 0.699, while R-square is 0.4888. Based on the result, it reveals that the 2 elements of independent variable namely bureaucratic and supportive culture explained 48.3% of the variance in employee motivation. According to [10], Durbin-Watson statistic is a test statistic used to detect the presence of autocorrelation in residuals from a regression analysis. The values below 2 represent positive serial correlation among the errors and values above 2 represent negative serial correlation. Thus, the finding indicates the Durbin-Watson statistic with 1.719 which represents the positive serial correlation.

Table 2: Regression analysis (multiple regression) (n=260)

Model	R	R-square	F value	Durbin-Watson	Sig val
1	0.699	0.488	0.483	1.719	0.000

### DISCUSSION AND CONCLUSION

This study has identified the relationship between organizational culture and employee motivation in private sector agency. This study found that organizational culture can be an element in measuring the employee motivation in private sector agency categorized as the automotive industry.

The study has substantiated the relationship between bureaucratic and supportive culture towards employee motivation. The result has also contributed to a better understanding of each element of organizational culture which is bureaucratic and supportive has emerged as key in determining the level of employee motivation in the selected organization. In order to increase the level of motivation among the employee, the top management need to know and understand which element of organizational culture influence their employee motivation.

After the analysis, it can be concluded that there was a positive relationship between bureaucratic and supportive culture toward employee motivation. The findings supported by 2 hypotheses generated for this study. The finding also showed that organizational culture is an important factor in boosting up the level of motivation among the employees. In order to increase the level of motivation among the employee, employers need to implement the best culture in their work environment since employee motivation places a very significant role towards the growth and establishment of the organization.

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