Conceptual Framework of Corporate Culture Influenced on Employees Commitment to Organization

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Abstract: Based on analyzing to some previous research, this study is developed by using constructs to explain how the dimension of corporate culture impacts employees commitment. This study uses examination model based on the literature reviews of previous research and then the hypotheses were be expended as a methodology. The result of the study shows that the employee commitment to organization can be improved through corporate culture that consists of teamwork, communication, training development and reward- recognition. To maintain efficiency, effectivity and organization productivity could be conducted by optimizing employee commitment to organization by creating and implementing corporate culture consistently. The concept of employee commitment to organization is described with causal relation toward corporate culture which is decomposed into the dimension of teamwork, communication, training development and reward-recognition.

Key words: Corporate culture, employees commitment, training and development, reward and recognition teamwork, organizational communication

INTRODUCTION

The ability of organizations that to sees their employees as a source of quality and productivity indicate that is well managed. The level of the employees commitment to their organization is therefore an important factor in determining the overall performance of employees. There is no general agreement as to what can increase an employee's commitment to the organisation (Owoyemi *et al.*, 2011). Given corporate culture could be affects the way in which people behave in an organization. The level of employee commitment could be influenced either positively or negatively by the culture existing in an organization.

Corporate culture is one of a determinant factor in enhancing to achievement of organizational goals and objectives. Corporate culture as an important aspect of not only in organizational behavior but also as a tool in understanding how organizations function (Kristof, 1996). Corporate culture enables organizations to tackle both the problems of adjusting to external environment and the internal integration of organization resources, human resource and policies to support the external adaptation (Pool, 2000; Schein, 1992). The corporate culture is one of the factors that strategically to develop an organization. It stressed that the culture of an organization, like, the culture of the people can be a motivating factors in maximizing the value of human capital which can ultimately be managed for organizational success (Aina *et al.*, 2012). Hereinafter, a study of a literature of corporate culture and employees commitment to organization and of the relationship between corporate culture and employees commitment to organizational conducted. This study leads to the model of research and development of the hypotheses.

MATERIALS AND METHODS

The discussion in this study used a literature reviews performed to analyze the relationship between symptoms or phenomena observed. This article intends to reveal the problem, examine and analyze the variables that the research focuses on. The analysis used is effectual causal analysis to analyze the relationship between two or more phenomena. The formulation of research logical framework presented in this study follows the suggestion given by Ramdhani *et al.* (2014), Ramdhani and Ramdhani (2014). Discussion focused on the framework of the relationship between organizational culture on employee commitment to organizational as illustrated on Fig. 1.

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Fig. 1: Relationship of organization culture on employee commitment to organization

Relationship of organizational culture on employee commitment to organizational: the success of an organizational is influenced by organization culture which has a role to ensure that management functions can be run properly. Therefore, it takes a commitment of employees in the organization are driven by the strong organizational culture. Thus the strong organizational culture will encourage increased employee commitment to organization.

Many researchers have observed that organizational culture can help improving the employees commitment levels of their organization. Corporate culture affects the commitment of employees within the organization and the strength of organizational commitment is correlated with the strength of corporate culture (Nongo and Ikyanyon, 2012). A strong corporate culture enables employees understand the goals of the organization and as they work towards organizational goals, their level of commitment increases (Nongo and Ikyanyon, 2012).

Ricardo and Jolly found that the four of eight dimensions of corporate culture have significant effects on employee's commitment. The other research by Zain *et al.* (2009) show that corporate culture in they study have significant influence on organisational commitment. The results of the study by Ooi and Arumugam (2006) revealed that communication, training and development, reward-recognition and teamwork are positively associated with employee's commitment. Their study contributes to a better understanding of the influence of corporate culture on organizational commitment among employees.

Corporate culture: Culture plays a large part in determining the quality of organizational sustainability in order to increasing loyalty, productivity and profitability. Culture is rooted in the countless details of an organization's sustainability and influences much of what happens to employees within an organization (Hellriegel *et al.*, 1998). In many literature of organization

behavior, corporate culture has been defined in many ways by various authors and researchers. Corporate culture can be viewed as to as a set of values, attitudes, behavior patterns, rituals, beliefs, norms, expectations, socialization and assumptions of employees as the key identity in the organization and that help in determining their employee's manners (Schein, 1992; Pool, 2000; Ooi and Arumugam, 2006; Hellriegel *et al.*, 1998; Robbin and Judge, 2013). Corporate culture is a management philosophy and a way of managing an organization in improving the effectiveness and efficiency of its performance (Ooi and Arumugam, 2006). Corporate culture is therefore equated with the organization personality, depicting employee behaviour even when they are not commanded on what to do (Hellriegel *et al.*, 1998).

A several dimensions of corporate culture have been described in various literatures. Seven primary characteristics of an organization's culture consist of innovation and risk taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness and stability (Robbins and Judge, 2013). Harrison and Stokes (1992) was identified four dimensions of organizational culture include power dimension, role dimension, achievement dimension and support dimension.

On the other hand, Ricardo and Jolly was identified dimension of organizational culture include communication, training and development, rewards, decision making, risk taking, planning, team work and management practices. teamwork, communication, training-development and reward-recognition in most literatures as dimensions of organizational culture and have greatest effect on employee's behavior commitment (Lau and Idris, 2001; Zain *et al.*, 2009) and this was adopted for this model.

RESULTS AND DISCUSSION

Teamwork: Teamwork may affect a person's commitment. Teamwork is occurs when group members work together in ways that utilize their skill well to accomplish a purpose. Teamwork refers to interpersonal activities that facilitate the achievement of objectives (Colquitt *et al.*, 2009). A person commitment to the task will be higher when the goals of organization is important considers and the team have confidence of ability to achieve (Gary, 2009). Therefore, a teamwork is the willingnes and abillity to cooperate with others to become a meaningful part of the team to achieve a solution that beneficial to all parties so

the solid teamwork will make one's commitment increased to the organization (Robbins, 2003). Teamwork can be achieved when groups develop a sense of shared commitment and synergy among members. The concept of teamwork is increasingly important as a corporate culture in order to productivity and employee's organizational commitment (Ooi and Arumugam, 2006; Aina *et al.*, 2012).

A teamwork leads the persons to understand each other on their tasks in the organization. Synergy and collaborative teamwork take improve their performances. The teamwork was built in good atmosphere will directly the harmony of the employees with the result that they feel a part of integral to a model of "family" in the organization. This models will direct the employees to have a high commitment to the organization in achieving organization goals.

Communication: Various theories and management policies suggest that there should be a positive relationship between communication and commitment to the organization (Huff *et al.*, 1989). Good organizational communication between the employee and their manager ensures they do their job well. Horizontal communications (informal with proximate colleagues of socio-emotional content) are less strongly related to levels of commitment at both organizational and unit level, than are vertical communications (strategic information and communication with management). Vertical communication from senior management predicts organizational commitment best, whereas commitment with the unit is predicted better by vertical communication at that level. Results are inconsistent with approaches to commitment in organizations and teams that assume commitment stems from interpersonal relations but more consistent with approaches to organizational commitment based on a social identity approach which tend to focus on social-level antecedents of commitment and identification (Postmes *et al.*, 2001).

Other study examines links between communication, organizational commitment and perceived organizational support using questionnaire data gathered from 244 university employees. Employee perceptions regarding the top management-employee communication relationship, the quality of top management's communication and superior-subordinate communication were strongly related to organizational commitment. Perceived organizational support was influenced by the top management-employee communication relationship and the quality of co-worker's and top management's communication. Perceived support mediated the co-worker communication-commitment

relationships (Allen, 1992). Communication design can be conducted indirectly, since there are set of communication choices through a knowledge portal. Knowledge portal is an important aspect to disseminate knowledge of organization (Pamoragung *et al.*, 2006).

Communication through the managers who are seen to represent the organization can influence employee's perception of an organizatio's values and capabilities. Both person-organization fit and organizational efficacy were found to partly mediate the main effects of communication and affective commitment. Following the test of mediation of fit and efficacy one by one, a test of the two mediators simultaneously in a confirmatory structural equation model led to a fitting model without any modifications. Further, the most important aspects of communication between manager and employee turns out to be the feedback from the manager, followed by the notion of the manager listening to the employee. Supervisor communication strengthens commitment via a clear view of which values are important which goals are to be achieved and how efficacious the organization has been in the past (Vuuren *et al.*, 2007).

Main effects for individual on organizational commitment may need reinterpretation in light of the disordinal interaction obtained here. The possibility that different commitment processes operate for different kinds of employees is explored with special emphasis on those employees for whom communication is a potent factor in determining attitudes (Eisenberg *et al.*, 1983). Communications are delivery pattern ideas, instructions, directives, including complaints on the job of an organization. The model of open communications would create good atmosphere of jobs, hereinafter creates interrelated between a person of an organization. It conditions is the source of a sense of belonging to the organization. In other words, good communication and transparent, defined as the organization culture, leads a high commitment to their organization.

Training development: One way to gain corporate competitive advantage is through the increase their efforts to develop the knowledge, skills and attitudes of their employees in order to maximize organizational performance and ability to compete effectively (Ainissyifa, 2012). Wagonhurst (2002) stated that training and development as development of skills, specifies measurable objectives and should result in observable change in behavior. Considering the cost of training and development programs are quite large, corporate should be evaluate the extent of benefits derived from training and development programs are implemented.

Here in after, corporate providing infrastructure facilities to provide opportunities for employees to develop themselves, not only to reduce errors but reduce the overall costs associated time, resources and productivity. Training is a conscious and planned effort undertaken by the organization to evaluate of the suitability and increasing the capacity of employee's to perform their duties. It is believed that employee satisfaction on their abilities in fulfilling their duties will increase their commitment to the organization.

Reward-recognition: Reward and recognition can be defined as increased salary, bonuses and promotion which are conferred of employees superior performance. The recognition is a process of giving an employee a certain status within an organization. This is a very crucial factor towards an employee motivation. Recognition describes how the work of an employee is evaluated and how much the appreciation he receives in return from the organization. It also specifies the way an organization gives its employee the reward and status for his work and activities (Danish and Usman, 2010).

Reward is a one of attention from organization to employee for their effort and contributions. Rewards as part of organization culture will influence positively to employees commitments to organization. The researcher's believes that the system of reward and recognition will be affect on job satisfaction where job satisfaction is one of the objectives given awards to employees and further more increase the employee's commitment to organization.

Employee commitment to organization: One of important factor to favorable organizational outcomes is employee commitment to organization because it is reflects the extent to which employee's identify with and organization and is committed to its goals (Owoyemi *et al.*, 2011). Employee commitment to organization is concerning an employee's faithfulness to the organization, the willingness to exert effort on behalf of the organization, the degree of goal and value between the employee and the organization and the employee's desire to remain hired by the organization (Messner, 2013). Collaboration and teamwork, performance management, autonomy and freedom, reward and recognition and achievement orientation were found to be the positive predictors of different dimensions of firm's performance (Jain and Moreno, 2015).

Employees commitment to organization is an important issue because it may be used to predict employee's performance, absenteeism and other

behaviors (Dordevic, 2004; Owoyemi *et al.*, 2011). Components of employee commitment to organizational as reported by Meyer and Allen, consist of the following three factors.

Affective commitment, describes an employee's emotional attachment, identification with and involvement in the organization and its goals

Continuance commitment, an individual may commit to the organization because they perceives a high cost of losing organizational membership. Non-transferable personal investment, such as close working relationships with other employees, community involvement, acquired job skills being unique to the organization and monetary investments, such as contributions to pension funds or stock options, can make it look too costly for an employee to leave and seek employment some where else.

Normative commitment, The individual commits to and remains with an organization because of feelings of obligation, an old-style value of loyalty and duty. It is expressed by the extent to which an employee feels obliged to make personal sacrifices and not criticize the organization.

CONCLUSION

Corporate culture is a system of socially constructed reality of various of thought members when they are in these structures which can be awakened naturally and supported by organizations rules. Based on the literature review we find that organization culture is related to employees commitment to organization. The built of corporate culture on the pattern of teamwork, communication, training development and reward recognition will create a sense of belonging and employees commitment to organization.

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