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## **IMPACT OF ORGANIZATIONAL CULTURE AND PROMOTIONAL POLICIES ON EMPLOYEE JOB SATISFACTION: THE CASE OF PAKISTAN**

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### **ABSTRACT**

This study aims to know the impact of organizational culture and promotion policies on job satisfaction of employees working in different organizations of Pakistan. More specifically, this study is to find the factor among organizational culture and promotional policies which more strongly affect the level of satisfaction of employee's jobs. Questionnaire used to know this impact on job satisfaction. Out of 125 questionnaires, 100 questions are fully filled by the employees of different organizations. For the data analysis, SPSS version 15 is used to interpret the findings of the paper. By applying the technique of OLS on data, we get the results. Results show that there is a significant relationship between independent variables (organizational culture and promotion policies) and with the dependent variable (job satisfaction). Both the independent variables show positive relationship with job satisfaction.

**Keywords:** Job satisfaction, organizational culture, promotion polices.

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### **INTRODUCTION**

When we research on organizational issues, employee satisfaction is one of the main and important issues of all time. How we satisfy our customer is the key question, which is to be answer in a research. Employees are the key players in organization so their commitment with organization is very important. Due to the better commitment and involvement of employees at work provides competitive advantage to organization. Different efforts have done and many are at work to cope with this issue. In organization, the most frequently investigated variable is job satisfaction (Spector, 1997).

Employee satisfaction based on many factors some of them are good working conditions, supervisory support, good leadership style, attractive reward system, better chance for personal development, smart promotion polices etc. these facets leads towards commitment of employees. Whereas, employee dissatisfaction based on poor working conditions, deprived leadership style, be deficient in job security, poor organizational climate etc. facets like these show high level of dissatisfaction of

employees at work. In extensive researches on job satisfaction, shows that it depends on many factors such as pay, promotion policies, organizational culture, working conditions and leadership and with the supervisory relationship (Schneider & Snyder, 1975; Hellriegel & Slocum, 1974; Kerego & Mthupha, 1997; Peterson, 1995; Boeyens, 1985). Job satisfaction is the essential element for the employees to be committed at their job. The concept of job satisfaction is widely defined by many authors in different researches but the concept regarding employee satisfaction is same. Job satisfaction is an attitudinal variable that shows or describe the personal feelings of a person at the job (Spector, 1997). Above mentioned are some of the variables that affect the job satisfaction, but I discussed here only few.

The main objective of this paper is to show the impact of organization culture and promotional policies on job satisfaction also to know there relationship with job satisfaction, with the help of the questionnaire that are filled by 100 respondents. Further in this paper: section 2 explain the brief literature on the variables under study, section 3 describe hypothesis for the paper, section 4 explain research methodology, section 5 explain results and discussion and section 6 includes the

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conclusion and recommendation about the paper and in the end there are references.

### **LITERATURE REVIEW**

In recent years job satisfaction is the topic of interest for many researchers. Job satisfaction is the employee's positive feelings towards a job. Job satisfaction is pleasant and constructive feeling that comes from the appraisal of employee during his job (Locke, 1979). Job satisfaction described as general approach, which is deriving from different distinct approaches (Reddy & Rajasekhar, 1990). Drever, (1964). defined this phenomenon as "the ultimate order of feeling". Whereas Singh (1990) gave explanation that job satisfaction is related to life satisfaction. In the same way, life is persuading by the job of a person whatever he or she has.

Locke (1979) illustrates that if the researcher wants to study the job satisfaction issue than they must know what the dimensions it has are; its dimensions are linked and multifaceted in character. He also explained its dimensions that are work, pay, promotion, organizational climate, working conditions, benefits, appreciation, leadership, supervisory support and coworkers (Locke, 1979, p. 1302).

On the other hand, when we study the literature regarding the job satisfaction with the pay and job satisfaction with promotion of employees it shows that there is a positive relationship among these. A comprehensive study on the relationship of promotion and its expectation on job satisfaction are doing in a paper of an American researcher KOSTEAS V. D. As the employee is promoted at work, its satisfaction for the job is increased (KOSTEAS, V. D., 2011).

A climate may be defined as "a set of characteristics, through which one organization differ from other organizations; are bearing over time; and predominance the behavior of people in the organization"(Forehand & Gilmer, 1964). They perceived organizational environment or climate as influencing motivation, which result in satisfaction, productivity or performance, and retention or turnover (Litwin and Stringer, 1968). Climates are perceive by people and usually are psychological in nature (James & Jones, 1976; Jones & James, 1979; Joyce & Slocum, 1979; Schneider, 1975; Weick, 1979). Organizational climate is one of the most vital concepts which is created by organizational researchers because it explain the set of independent variables which need to maintain or increase the

effectiveness of the organization and the satisfaction of its employee (Guion, 1973).

Organizational climate have used as a variable which interpose between organizational processes and job satisfaction (Lawler et al., 1974). Organizational climate also defined as the 'personality' of an organization (DuBrin, 1974; Hoy and Miskel, 1982). The literature has demonstrated the relationship of organizational climate and job satisfaction in facilitating organizational development (Brady, 1985). Job satisfaction is an important variable in organizational climate research, and it incorporate job satisfaction as one measurement of climate (Camp, 1994; Stohr, Lovrich, Menke, & Zupan, 1994; Whitehead & Lindquist, 1989; Wright, 1979; Wright & Saylor, 1991). The relationships of job satisfaction and organizational climate have examined in different organizations (Repettiand and Cosmas, 1991; Sheinfeld and Zalkind, 1987; Prichard and Karasick, 1973; Payne et al., 1976; Schneider and Synder, 1975; Johansson, 1973; Lafollette and Sims, 1975). Job satisfaction has positive relationship with the organizational climate in the study (Srivastava and Pratap, 1984). Organizational climate consider as a vital factor in job satisfaction (Sharma and Sharma, 1989; Kumara and Koichi, 1989; Gellerman, 1968; Litwin and Stringer, 1968; Prichard and Karasick, 1973). Climate predominance the behavior of the organization's employee (Grace, 1986).

Satisfaction has an impact of income ups and down but it is short-term in nature (Hammermesh, 2001). In this paper the researcher, explain that promotion has a positive impact on satisfaction of employee and has an effect on its attitude for a work. The employees who get the promotional benefits are more strongly committed towards an organization as compare to those who do not receive it.

An inclusive paper on the promotion and its affect is given by a researcher who explain that promotion is significantly influence the job satisfaction (KOSTEAS, V. D., 2011). He explains that there is a strong connection between the promotion and job satisfaction by using the data of U.S for the years of 1996-2006. His paper also depicts the picture of study that promotion has significantly positive, but on the other hand has reducing effect by the time on job satisfaction.

There is a powerful role of expectation on the job satisfaction at work for the employees (Clark, 1997; Sousa-Poza and Sousa-Poza, 2003 and Long, 2005). In

these papers, one hypothesis state that there is a difference between the satisfaction of men and women at their jobs. Evidence found in these research papers depicts the picture that women have low expectation as compare to men.. Low life satisfaction is come from the high level of income desire in people in organizations (Stutzer, 2004).

Only few papers are having on the relationship between promotion and job satisfaction of employees. Pergamit (1999) also find that there is a positive relationship between promotion and employee job satisfaction, when he study the data of 1989-1990 waves of the NLSY. In another study, promotional has significant impact on job satisfaction and its expectation for employees in organizations (De Souza, 2002). De Souza explains the behavior of individuals who received the promotion is change from those who do not promote. People who get promotional opportunity are more satisfied and they expect more from their jobs. De Souza also explains many factors that determine the job satisfaction.

All above literature shows that job satisfaction has many dimensions to study but as we are discussing under Pakistan scenario, so we focused only the organizational culture and promotion policies and their impact on job satisfaction. Organizations should satisfy its employees for the betterment of the company as well as for the society.

The study was based on the following hypothesis:

**H1:** Organizational Culture positively affects job satisfaction. Strong organizational culture imparts high level of job satisfaction in employees.

**H2:** Promotional policies of the organization affect positively on job satisfaction. Strong promotional policies impart high level of job satisfaction in employees.

**RESEARCH METHODOLOGY**

125 employees of different organizations are selected to fill the questionnaires. Complete and fully filled questionnaires are 100. So, the response rate is 80%. Employees of lower and middle level in organizations are use in this study.

Data for this research is gathering by the questionnaire. Questionnaire is consisting of two parts. Part 1 is of general information (i.e.) name, age sex, and education, and organization name, designation in organization and years in organization. Whereas, part 2 is consisting of section A and B, section A have the questions regarding the job satisfaction of employee in organization of

around 9 questions. In addition, section B is consist of around 24 questions that covers the area of employee satisfaction towards a promotion polices and organization culture. In this section, each question has five options to select any one from 1-5 i.e. strongly disagree-strongly agreed.

In this study, we are going to know that the organization culture (OC), and promotion policies (PP) have affect the job satisfaction (JS) of employees at work. Therefore, we have used the two (2) independent variables that affect the job satisfaction (JS).

In our study, the main focusing variables are:

**Organization Culture** i.e. technical help, social support, social harmony and respect.

**Promotion policy of the organization** i.e. chances for further advancement.

For the analysis of data, the technique, which is used, is ordinary least square method. With the help of multiple regression method, we get the result. Spss version 15 was use to get the results in form of descriptive statistics, model summary and Pearson correlation.

**RESULTS & DISSCUSSION**

Multiple regression was applied to draw results on the data received through questionnaires. Following are our results regarding this research study:

Table 1: Descriptive statistics

	Mean	Std. Deviation
job satisfaction	27.7041	4.32258
Age	1.40	.682
Sex	1.57	.498
level of education	2.03	2.057
marital status	1.78	.545
Years in current organization	2.965	2.3487
Organization culture	17.7500	2.73538
promotion policy	27.4800	4.76197

Table 1 showing the standard deviations and means on the responses of respondents on different variables i.e. job satisfaction age , sex, level of education , marital status, years in current organization, organization culture and promotion policies. Results shows that mean value of responses received on job satisfaction is 27.7041 and standard deviation is 4.32258 depict more satisfaction level of employees. Promotional policies have more mean value then organizational culture i.e. 27.48 > 17.75. Respondents are more satisfied with their promotional policies then organizational climate. Whereas respondents shows least satisfaction with age,

sex, level of education, marital status and experience in current organization. The overall model summary is mentioned in Table 2. As model explains the 50.7%

variance in employees' job satisfaction by the change in independent variables (organizational climate and promotional policies).

Table 2: Model summary.

R	R Square	Adjusted R Square	Std. Error of the Estimate
.712	.507	.468	3.15320

Table 3: Pearson correlation.

	Job Satisfaction	Organization Culture	Promotion Policy
Job Satisfaction	1.000	.537	.628
Organization Culture	.537	1.000	.510
Promotion Policy	.628	.510	1.000

In the Table 3, we use Pearson correlation to examine the individual effect of different independent variables on dependent variable and among independent variables themselves. It is clear from the table 3 that organizational culture and promotional policies correlate with job satisfaction. There is an indication of high correlation of variable factors with one another showing the overlapping effect of variables.

Correlation Table indicates a strong relationship between dependent and independent variables, which illustrate that our model strongly influences job satisfaction. Here, it is also consider that the data should not show multicollinearity problem i.e. there is not strong correlation existing between our independent variables. Correlation of organizational culture with promotional policies is .51.

Table 4: Coefficients.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.427	3.162		.451	.653
	organization_culture	.536	.142	.339	3.782	.000
	promotion_policy	.414	.080	.456	5.195	.000
	age	1.547	.581	.244	2.661	.009
	sex	.830	.699	.096	1.188	.238
	level of education	-.078	.158	-.037	-4.96	.621
	merital status	1.134	.681	.143	1.666	.099
yrs in current ogr.	.016	.147	.009	.107	.915	

a. Dependent Variable: job\_satisfaction

Coefficients are explained in table 4, they interpret that all variables (organization culture, and promotional policies) have statistically significant contribution towards job satisfaction of employees. Results interpret that beta coefficients for both culture and promotion policies explain job satisfaction 53.6% and 41.4% respectively whereas age. Sex, education and marital status and experience in years do not have any significant effect on job satisfaction.

**CONCLUSION & RECOMMENDATION**

This paper presents the effect of promotion policies and organizational culture on the employee's job satisfaction. The paper shows a positive relationship between promotions and organizational culture with job

satisfaction. While controlling other factors aside like age, education, skills, experience, and that of sex. The paper shows that by promotions an employee's satisfaction increases, as they feel confident about their job performance and a sense of justice. Correspondingly, the organizational culture also plays an important role in employee's satisfaction. As if better working conditions, well-organized policies and encouragement are there, they enhance the employee's satisfaction. The findings in this paper are relating to the previous literature which shows the positive relationship between job satisfaction and that of promotions and organizational culture as supported by previous studies.

The results concluded in my research paper are

supported by these researches: Kosteas, V. D., (2011); Pergamit and Veum (1999); De Souza, (2002); Sharma and Sharma, (1989); Kumara and Koichi, (1989); Gellerman, (1968); Litwin and Stringer, (1968); Prichard and Karasick, (1973). Kosteas,(2011) found a positive relationship job satisfaction and promotional policies. Pergamit and Veum (1999) and De Souza, (2002) also find that employees job satisfaction has positive impact of promotion and its expectation of employees. Similarly, Grace, (1986) reveals through his study that organizational climate influence on the behavior of the organization,s employees. The similar results are found in the researches of Prichard and Karasick, (1973); Gellerman, (1968) and Kumara and Koichi, (1989). However, there are some suggestions for boosting the satisfaction level and performance of employees. These are:

- The above discussion suggests that to enhance the satisfaction of employees there is need of timely and accurate promotional systems.
- Employees should promote on time and because of performance and experience. These provide satisfaction related to the job performance and job security.
- There should be good working conditions for an employee to do his task effectively.
- Proper policies and rules are making because of justice and equality.
- Timely and accurate promotional policies should adopt.
- The system is flexible enough to adopt the changing conditions.
- Organizations need to adopt more understandable organization climate to enhance the employees' job satisfaction.

Lastly, the human resource is one of the most important assets of an organization. If an organization wants to increase its effectiveness and efficiency then there is need of efficient and energetic mind with new ideas. Employees perform in a relaxed and good working environment providing good performance that result in their satisfaction.

In this study there are so many areas that are unfold as job satisfaction has many dimensions to study but we are studying only few. Our sample of study is small; it can be increase for the better results in future. In this paper, employees are select from private organizations

and some government organizations. In future study the multinational companies can also become the part of study and the area for study can be expand for good and significant results. So by doing the above steps the scope of the study can be increase and enlarge.

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