



# A Study of Corporate Culture, Job Satisfaction and Impact on Job Performance: A Case Study of a Swiss Silicon Rubber Keypad Manufacturing Company in Thailand

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## **Abstract**

*This research is to examine the relationship among Corporate Culture, Job Satisfaction and Impact on Job Performance in the Thailand's Automotive Component Industry. A silicon rubber keypad manufacturing company in Thailand is singled out as one of the Thai Automotive Component Companies for this study. A total of 450 set of questionnaires was distributed randomly to four levels of staff at this silicon rubber keypad manufacturing company. They are top management, middle management, first line management and daily operation. Action research followed by descriptive are shown. The survey method used a questionnaire to gather the needed information on the key variables.*

*The application of multiple linear regressions (MLR) analysis proves that all components of corporate culture but people orientation are significantly positive determinants of job satisfaction. At the same time, MLR also proves that supervisor is significantly negative determinants of willingness to perform job well while compensation is vice versa. In order to achieve the best employees' performance, management should seriously and strategically invest in training how to supervise their employee in terms of people orientation. The limitations of this study are the findings might not be applicable and represent able to Thai local companies, since this silicon rubber keypad manufacturing company is run by foreign national (Swiss). In addition, the fluctuation of personal feeling is also always changing over time, so this research should be applicable best within 2013. Finally, this research provides an original idea on how Swiss investor should taken different measures to fulfill Thai employees' job satisfaction in order to maximize job performance.*

**Keywords:** *Job satisfaction, Benefits, Compensation, Employee attitudes, Thailand*

## **INTRODUCTION**

A great deal of researches which have been conducted on job satisfaction and firm performance over the last quarter century are vital to every organization. Becker and



Huselid (1998) concluded that in order to have higher corporate performance based on job satisfaction, the major competitive strategy and operational goals of an organization should relate directly with the human resource development process. Such process which diverse stakeholders attached with an organization begins with the first step of careful selection and hiring, and then follows with reward systems and training and performance management systems.

The relationship among human resource management (HRM), firm performance, and particularly the potential of a high-performance work system in a firm needs theoretical foundations and research which can be considered as a very useful tool to support the effective implementation of corporate strategy and the achievement of operational goal. Every organization is seeking for the suitable and sustainable competitive advantage as the basis for the above-average firm performance. Without high performance, an organization can hardly grow or survive in the fast development of economy.

Ostroff (1992) was one of the first researchers to construe job satisfaction as a collective construct. He concluded that “In an organization, the more satisfied the employees are, the more effective the performance is.” So easily observed, he found that job satisfaction has close relationship to firm performance in every organization.

Similarly to Ostroff (1992)’s comment, Barney (1986) also said that it’s known that the quality of work life is affected by an organization culture. That’s because recent research attempts to explain why companies with sustained good financial performance like IBM (International Business Machine), HP (Hewlett-Packard), P & G (Proctor and Gamble), and McDonald’s put focus on the managerial values and beliefs embodied in these companies’ organization culture (Peters, T. J. and Waterman, R. H, 1982). These explanations showed that firms with sustained good financial performance typically are characterized by a strong set of core managerial values that define the ways they conduct business. It’s the key values (corporate culture) regarding the way to treat employees that make them have a good quality of work life. Kilmann *et al.* (1985) defined corporate culture as “the shared philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes, and norms.” Employees will be satisfied with agreed concept of values, beliefs, attitudes in an organization. Therefore, this research focuses on the relationship between corporate culture and job satisfaction, as well as the relationship between job satisfaction and job performance. Such relationships practically exist in one automotive component company in Thailand and the researcher would like to investigate and discuss in details in this study.



As it has been witnessed in Thailand, the automotive component industry has already reached strong competition level. According to the automotive component's character, taking the silicon rubber keypad as an example as mentioned previously, its technology can be easily learned and copied nationwide. Most importantly, with the founding of AFTA (*ASEAN Free Trade Area*) – in ASEAN, all doors are open for smooth operation of tax free inter-member state business. Consequently, people in this organization can learn and share different knowledge and experience from each other speedier than ever. Hence, except for interaction with technology, the process related to employees' work life in the organization and the strategy of effective teamwork decides the success of a firm's operation (Barney and Wright, 1998). In order for a company to achieve better performance, it does not necessarily depend only on capability to use technology, but it also equally depends on its ability to master massive management of human resources.

The employees' job performance and job satisfaction have received a high level of interest and attention by a lot of researchers in the past few decades. This is because in today's knowledge economy, many business organizations realized the importance of human resources. Therefore, for the human resources to be satisfied with the job performance (of the employees); it obviously depends on the quality of their work life (Drafke and Kossen 1998). Additionally, the quality of life is known to have been affected by the culture present in the organization (Barney, 1986). If the people in the organization devote themselves by working hard and show great concern for the organization they are working in, it can be presumed that the organization can overcome obstacles and survive even an economic crisis. Moreover, if management of the company knows the motives that drive employees to keep their service tenure with organization, employees will be more satisfied and willing to perform well in the organization.

Since every company has its own way of doing business and creates its own corporate culture, employee has also its own understanding and judgment of job satisfaction. So how well employees are or not willing to perform can be varied by different people based on their view of job satisfaction. Here, the researcher would like to find out the relationship between corporate culture and job satisfaction along with job satisfaction and impact on job performance at this silicon rubber keypad manufacturing company.

Specifically, the objectives of the study are:

1. To find out the relationship between corporate culture in terms of power orientation and job satisfaction.



2. To find out the relationship between corporate culture in terms of role orientation and job satisfaction.
3. To find out the relationship between corporate culture in terms of task orientation and job satisfaction.
4. To find out the relationship between corporate culture in terms of person orientation and job satisfaction.
5. To find out the relationship between job satisfaction and impact on job performance.

## **LITERATURE REVIEW**

### **Job Satisfaction**

Job satisfaction is personal expectation towards work, one's emotional feeling towards work and one's attitude towards work. People's feeling regarding job satisfaction can be affected by a lot of factors. How an employee views his job satisfaction depends on the job as well as the communication and co-operation with others (Vecchio, 1995).

Maslow (1954) defined human needs by grouping hierarchically in 5 levels from the lowest to the highest. There are needs for physiological, safety & security, belongingness, social & love, esteem and self actualization. He assumed that basic needs should be satisfied (physiological) to a person before they go to pursue higher level of needs. Maslow (1954) assumes that people have to fulfill the most basic human being needs such as food, clothing and sustenance. Then they move up to higher levels of needs from safety, belongingness, social, esteem till self-actualization at the highest.

About job satisfaction, the most important factors are the challenging work, good pay package, supportive boss and colleague and favorable working environment. Hence, Robbins (2001) pointed out employee can use their skill, knowledge and experience to finish the task and get good performance based on the opportunities provided by jobs. Furthermore, job satisfaction can also be affected by some other sources such as: recognition, promotion, supervision, fringe benefit, work group (Feldman & Arnold, 1983).

### **Job Performance**

Job performance is one measurement of work results in determining individual attributes such as ability and experience, organizational supports such as resources and technology and work effort, the point at which individual level of motivation comes



directly to be involved. Ginzberg et al., (1951) has used the term performance to refer to individual's response to demands that are made on a person by the family, employer and community of which he is a part. On the other hand, the level of demand tends to be geared on the level of responsibility that the individual is able to discharge.

Porter and Lawler (1968) explained and measured the employees' job performance in an organization by his abilities, traits and his role perception. Meanwhile, environment factors also play an important role in the organization. It can have an influence on employees' ability and also have an influence on the task direction or perception. Good performance is the result of combination of effort, abilities and understanding of the task direction. Employees' role perception also needs to be considered when analyzing job performance, since it decides whether or not the employee can do the right thing at the right time.

To measure employee work performance in order to achieve high levels of productivity, efficiency and effectiveness, it's important concern in human resources activities including job selection, orientation, skill training, performance appraisal, compensation, human resource planning and career development which are all related to improving and sustaining organizational performance (Appelbaum and Hare, 1996).

### **Corporate Culture**

Corporate culture plays a very important role in organization because it helps management to find out the suitable strategies and policies which can drive employees to contribute themselves and lead to good financial performance. What is more, corporate culture is the norm, value and belief of organization (Zimmerman and Tregoe, 1997). Uttal (1983) defined corporate culture as "a system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organizational structure and control system to produce behavioral norms.

Additionally, corporate culture is a type of organization culture that encompasses the various beliefs, values, and other culture elements that define a particular company. There are many different types of corporate culture that often mix together, even within individual companies. Some types of corporate culture are defined by the founders of a company when they build the business with specific goals based in certain values. Other types of corporate culture are imported when companies hire more employees with diverse knowledge, experience, and values. Over time, and other people important to the company mingle to form the overall corporate culture.



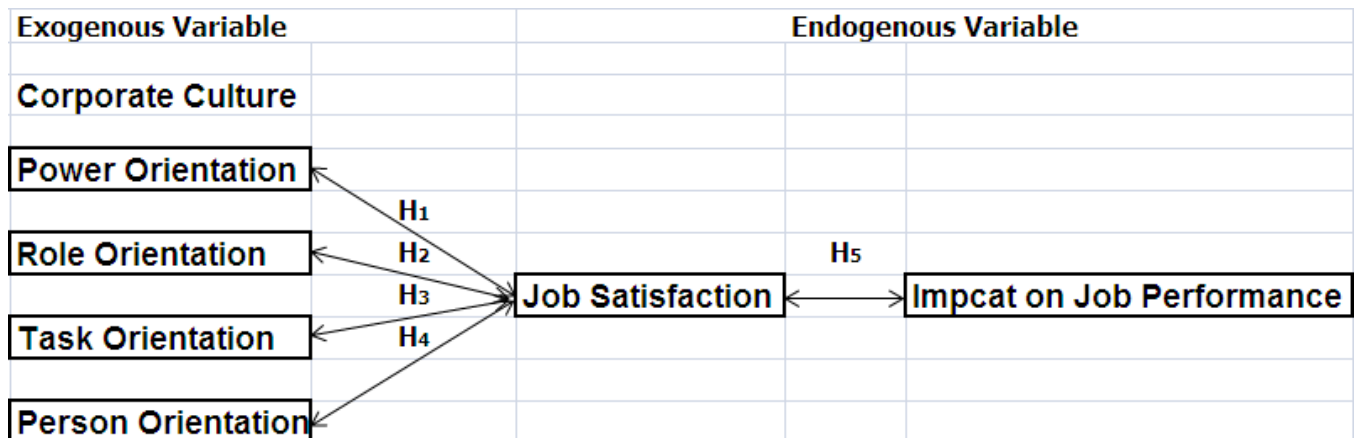
Charles Handy popularized a method of looking at culture which some scholars have used to link organizational structure to organizational culture. Handy suggested that we can classify organizations into a broad range of four cultures. The formation of “culture” will depend on a whole host of factors including company history, ownership, organization structure, technology, and critical business incidents and environment. The four cultures he discusses are ‘Power’, ‘Role’, ‘Task’ and ‘People’. The purpose of the analysis is to assess the degree to which the predominant culture reflects the real needs and constraints of the organization.

## RESEARCH FRAMEWORK

The conceptual framework is drawn by the researcher based on his understanding of theoretical framework and literature which explains these variables and their relationship. The exogenous variable is independent variable that affects a model without being affected by it. The endogenous variable is dependent variable generated within a model and therefore, a variable whose value is changed (determined) by one of the functional relationships in that model.

The objective of this study is to understand the relationship between corporate culture and job satisfaction, job satisfaction and impact on job performance at this silicon rubber keypad manufacturing company. The conceptual framework is shown below.

**Figure 1 Conceptual Framework**



Based on the literature review and conceptual framework, the hypothesis statements are set forth as follows:



- H1o: there is no positive relationship between Corporate Culture in terms of Power Orientation and Job Satisfaction.
- H1a: there is a positive relationship between Corporate Culture in terms of Power Orientation and Job Satisfaction.
- H2o: there is no positive relationship between Corporate Culture in terms of Role Orientation and Job Satisfaction.
- H2a: there is a positive relationship between Corporate Culture in terms of Role Orientation and Job Satisfaction.
- H3o: there is no positive relationship between Corporate Culture in terms of Task Orientation and Job Satisfaction.
- H3a: there is a positive relationship between Corporate Culture in terms of Task Orientation and Job Satisfaction.
- H4o: there is no positive relationship between Corporate Culture in terms of Person Orientation and Job Satisfaction.
- H4a: there is a positive relationship between Corporate Culture in terms of Person Orientation and Job Satisfaction.
- H5o: there is no positive relationship between Job Satisfaction and Impact on Job Performance.
- H5a: there is a positive relationship between Job Satisfaction and Impact on Job Performance;

## **RESEARCH METHODOLOGY**

The survey method uses a questionnaire to gather the needed information on the key variables. The target population chosen is both the manual and intellectual employees working at this silicon rubber keypad manufacturing company with a population of 1,280 employees. The target population included Thai personnel working as office staff and production line and few non-Thai also working as office staff.

The main methodology of this research is descriptive and correlational research. Measures of central tendencies are used to describe the demographic profile of the respondents. Correlational analysis is used to determine the relationship of the key variables of the study that existed between the variables. In this research, they are the



relationships between corporate culture and job satisfaction, job satisfaction and impact on job performance. Correlation Coefficient (“r”) generally ranges from -1.00 to +1.00.

$$r = \frac{\sum xy - \frac{\sum x \sum y}{N}}{\sqrt{(\sum x^2 - \frac{(\sum x)^2}{N})(\sum y^2 - \frac{(\sum y)^2}{N})}}$$

Where:

X= Exogenous Variable

Y= Endogenous Variable

N= Number of Samples

The sample size in this study is calculated to be around 385 at the confidence level of 95%. In order to ensure the accuracy of the research findings, the sample size will be set at 450.

**Table 1 Sample Respondents of the Study**

<b>Employee Level</b>	<b>Size of Population</b>	<b>Number of Questionnaires Distributed</b>
<b>Top Management</b>	12	5
<b>Middle Management</b>	28	9
<b>First Line Management</b>	78	24
<b>Daily Operation</b>	1162	412
<b>Total</b>	<b>1280</b>	<b>450</b>

## **FINDINGS**

Hypothesis 1: There is a positive relationship between Corporate Culture in terms of Power Orientation and Job Satisfaction. The correlation coefficient of hypothesis 1 is 0.505, which means there is a moderately positive relationship between Corporate Culture in terms of Power Orientation and Job Satisfaction at a significant level of 0.01.





Hypothesis 2: There is a positive relationship between Corporate Culture in terms of Role Orientation and Job Satisfaction. The correlation coefficient of hypothesis 2 is 0.495, which means there is a moderately positive relationship between Corporate Culture in terms of Role Orientation and Job Satisfaction at a significant level of 0.01.

Hypothesis 3: There is a positive relationship between Corporate Culture in terms of Task Orientation and Job Satisfaction. The correlation coefficient of hypothesis 3 is 0.192, which means there is a low positive relationship between Corporate Culture in terms of Task Orientation and Job Satisfaction at a significant level of 0.01.

Hypothesis 4: There is a positive relationship between Corporate Culture in terms of Person Orientation and Job Satisfaction. The correlation coefficient of hypothesis 4 is 0.767, which means there is a highly positive relationship between Corporate Culture in terms of Person Orientation and Job Satisfaction at a significant level of 0.01.

Hypothesis 5: There is a positive relationship between Job Satisfaction and Impact on Job Performance. The correlation coefficient of hypothesis 5 is 0.830, which means there is a highly positive relationship between Job Satisfaction and Impact on Job Performance at a significant level of 0.01.

## **DISCUSSION**

The correlation coefficient of Hypothesis 1 is 0.51 which indicates there is moderately positive correlation between Corporate Culture in terms of Power Orientation and Job Satisfaction. The highest positive relationship on Job Satisfaction derived from correlation coefficient 0.86 of the question “In this organization, you can show your opinion”. However, the mean value is 3.32 on the question. It indicates employees at this manufacturing company are not certain about this question. In fact, employees at this manufacturing company comply whatever command managers give. Employees basically do not have an opportunity to show their opinion about the jobs. Based on this finding and fact, employees will be satisfied if they can do their jobs without restraint of fear to express their opinion on their jobs under power orientation.

The correlation coefficient of Hypothesis 2 is 0.489 which indicates there is moderately positive correlation between Corporate Culture in terms of Role Orientation and Job Satisfaction. The highest positive relationship on Job Satisfaction resulted from correlation coefficient 0.86 of the question “In this organization, when you have problems or are in trouble at work, your boss is always there to help you. In fact, the mean value is 4.338 on the question. It shows employees at this manufacturing company agree that they can get help from their bosses when they need it. This is because an assigned task



will not be achieved if there is a problem that can't be solved. Based on this finding and fact, employees are satisfied when they can get help from their bosses. The more support the employees can get from the bosses, the more job satisfaction the employees will gain under role orientation.

The correlation coefficient of Hypothesis 3 is 0.19 which indicates there is low positive correlation between Corporate Culture in terms of Task Orientation and Job Satisfaction. The highest positive relationship on Job Satisfaction derived from correlation coefficient 0.78 of the question "In this organization, your boss gives attention to significance of your performance or output of your work". However, the mean value is 2.769 on the question. It indicates employees at the manufacturing company don't think their performance is significant. In fact, the significance of employees' performance is not normally taken into consideration as the management rather gives priority on a good job completion. Based on this finding and fact, the employees will be satisfied if the bosses recognize the significance of their performance. Employees can get the job satisfaction when the significance of their performance is recognized under task orientation.

The correlation coefficient of Hypothesis 4 is 0.77 which indicates there is highly positive correlation between Corporate Culture in terms of Role Orientation and Job Satisfaction. The highest positive relationship on Job Satisfaction resulted from correlation coefficient 0.71 of the question "In this organization, your company offers welfare of employees such as health insurance, bonuses, incentives, job training and so on". In fact, the mean value is 3.94 on this question. It shows the employees at this manufacturing company agree that they can get these welfares from company. Based on this finding and fact, employees will be satisfied when they can get welfare such as health insurance, bonuses and so on from the organization. And the more welfare the employees can get, the more job satisfaction the employees will gain under person orientation.

The correlation coefficient of Hypothesis 5 is 0.83 which indicates there is highly positive correlation between Job Satisfaction and Impact on Job Performance. The three highest positive relationships on Impact on Job Performance derived from correlation coefficient of 0.722, 0.715 and 0.822 of the questions "In this organization, you are satisfied with salary/wage, the knowledge and experience can be shared between coworker and you quite agree with your boss' managing way". However, at this manufacturing company, employees don't think they are satisfied with their salary/wage; they can learn and shared knowledge from coworkers and they agree with their boss' managing style, according to the mean value 2.3, 2.64 and 2.3. In fact, an employee's job



performance is dependent upon many conditions rather than on a particular one. Based on the findings and fact, employee will be willing to perform well, provided that their needs and wants, for example, reasonable salary/wage, sharing knowledge with coworker and human centered rather than job centered management style, are satisfactorily fulfilled.

## **CONCLUSIONS**

The findings of this study might provide the theoretical implication to the management of this silicon rubber keypad manufacturing company. The result of five hypotheses analyzed by Correlation Coefficient shows all null hypothesis are rejected. It reveals to the management that whatever Corporate Culture in terms of Power Orientation, Role Orientation, Task Orientation or Person Orientation has relationship with Job Satisfaction. In addition, Job Satisfaction does have relationship with Impact on Job Performance. Furthermore, the management of this silicon rubber keypad manufacturing company can learn there are positive relationships between Corporate Culture and Job Satisfaction, and between Job Satisfaction and Impact on Job Performance. Because the value of correlation coefficient is at the lowest at 0.195.

Through the findings of this study, it might also provide practical implication to the management of this silicon rubber keypad manufacturing company, in order to let them understand what they need to keep doing or change/improve to make employees satisfied under different orientation types of corporate culture. Under corporate culture in terms of role orientation, in order to make employees satisfied, manager should keep giving support to employees when they need it. In addition, company should provide welfare continuously to employees, better still with more effective welfare system under corporate culture in terms of person orientation. However, under corporate culture in terms of Power Orientation, the freedom of expressing employees' opinion is important to employees' job satisfaction. Management should change their managing style to create better, more receptive work atmosphere to employees, so that they may express their opinion freely. Additionally, manager should recognize the significance of employees' performance under corporate culture in terms of task orientation, as discussed previously under discussion and implication.

Another practical implication to the management through the findings of this study is for it to understand what can make employees to do a good job by fulfilling their basic needs and wants. For example, when employees are given satisfactory wage, they would naturally be more motivated and be willing to do a good job. Additionally, boss' managing style plays an important role in the organization. Subordinates would also be



more willingly to follow the boss' suggestion if they like the boss' managing style. Furthermore, employees' sharing knowledge and experience with coworkers is a positive factor to help one to do a good job.

## **RECOMMENDATIONS**

Since this is a manufacturing company, the most important task for management and administration is to make employees satisfied at most under different orientation types of corporate culture and further motivate them to perform well in the firm.

According to conclusion on corporate culture and job satisfaction, management and administration can take various measures to improve employees' job satisfaction within the framework of different orientation types of corporate culture. For instance, welfare provided by company can satisfy employees under corporate culture in terms of person orientation. Employees can also get health insurance, bonuses, incentives, job training in the firm. However, company can also further provide more benefits to employees in terms of special occasions such as holiday and recreation when employees can relax and enjoy and at the same time get unique experience. For example, sending an outstanding employees on oversea trips annually, like a visit to head office in Switzerland. It would be an excellent opportunity to them for fun and learn experience. Moreover, employees also can get satisfaction by having support from their bosses if and when they need it under corporate culture in terms of role orientation. For example, managers and subordinates can create interactive working relationship during the daily work. As a result, employees will be more satisfied and gratified as their bosses express concern and actually give constant care to them.

Furthermore, to stimulate employees to achieve better job performance, management and administration can set up a better and more flexible salary/wage standard for the employees. For example, instead of fixing the employees' promotion opportunities from once a year, it should be increased to twice a year. Additionally, the quota of employees' promotion can be increased from 1 each department to 2. Knowledge sharing also contributes to the employees' willingness to do a good job. So, managers can establish an on-line system to store all this knowledge/information useful to daily work. Furthermore, the managing style of the boss is an important factor to the employees' willingness to perform well. Accordingly, manager can set up internal team meeting monthly to discuss problems/issues. This would give opportunities to both employees and supervisors to communicate openly and smooth things out. As a result, work environment can become better and more conducive to both parties as is the objective of the human resource function in an organization.



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