EMPLOYEES' INTERNALITY OR EXTERNALITY? WHAT INFLUENCES THE ORGANIZATIONAL CULTURE OF IT ORGANIZATIONS

UGC CARE APPROVED

ABSTRACT

This study aims to explore the role of Organizational Culture (OC) and its dimensions (innovative, bureaucratic, supportive) acrLocus of Control (LoC) among IT employees. The study employed incidental sampling technique to collect data using Google Forms. 160 participants responded to the 20 items in the Locus of Control Instrument, and 15 items Wallach's Organizational Culture Index along with their demographic details. The results revealed that LoC differentiated organizational culture. Within the locus of control, externals had significantly higher innovative, bureaucratic, and supportive scores along with higher organizational culture scores. In contrast to this, on the other hand, internals had significantly lower scores in the innovative, bureaucratic, supportive dimensions and organizational culture total. Linear regression revealed that locus of control had negatively influenced the overall organizational culture along with it dimensions viz., innovative culture, bureaucratic culture, and supportive culture. The results and implications of the study are discussed in the main article.

Keywords: *Locus of Control, Organizational Culture, IT Employees.*

Introduction

The locus of control refers to how intensely individuals consider and have control over the situations and experiences thatthey encounter in their daily lives. In 1966, Rotter introduced the locus of control concept. It relates to a set of principles and related consequences in the form of reward and responsibility. If an employee perceives that everything that occurs to him or her is a result of his or her behavior and reactions, and bears responsibility for it, this indicates that the employee has internal LoC. Whereas, employees with external LoC feel that everything that happens to them is because of other people's intervention in their life circumstance, and they associate guilt and claim responsibility for the poor outcomes. If an employee has an internal LoC and firmly believes in it, this will boost his or her job performance by making him or her more comfortable and confident in their ability to accomplish their duties.

Khushk (2019) added that employees with an internal LoC believe that OC plays an important role in their performance, whereas those with an external LoC tend to reduce the importance of OC to their ability to succeed at work. Wahyuni et al. (2016) added employee with an external LoCbelieves that failures are caused by chance, extensive preparation of pointless effort, events in life are determined by powerful people, and success is decided by fate. Individuals with an internal LoChold contradictory beliefs, such that everything they accomplish is the result of their efforts, that they are representatives because of their skills, and that everything they succeed at in life is the result of hard work rather than luck. Further they have the power to control the course of their own lives and that any failures they experience are the result of their own choices. Because of this, an employee with an internal LoC has more work ethic and a better career than others (Saputra, 2014). Similarly, Chen et al. (2008) state that people who have a stronger internal LoC typically perform better and are more satisfied at work.

Organizational culture can be classified into three categories (Wallach, 1983) Work is extremely layered and systematic in the bureaucratic culture, and there are clear lines of power and authority. A hierarchy based on

W. CYRIL ALLEN JONATHAN
Ph.D Research Scholar, Department of Psychology, Periyar University, Salem, Tamil Nadu, India.
Dr. K. N. JAYAKUMAR
Assistant Professor, Department of Psychology, Periyar University, Salem, Tamil Nadu, India.

power and control directs the flow of information and authority. These cultures are steady, developed, and cautious. Innovative culturepromotes risk-taking and challenge-taking behaviour in the workplace. Although employees are constantly challenged and engaged, they frequently experience burn out due to stress and pressure. A supportive culture is one in which employees generally support one another and the workplace is pleasant. The atmosphere is welcoming, trustworthy, and honest. Humanistic principles are the bedrock of this culture. Wallach(1983) states that bureaucratic culture is characterized by elements like a power-focused, hierarchical, controlled, and structured work environment. The supportive culture contains relationship-oriented, personal freedom, and secure and trustworthy working conditions, whereas the innovative culture comprises risk-taking, creative, stimulating, and challenging surroundings. Culture is described as a way of life passed down from one generation to another via various learning processes to establish a certain way of life that best matches the work environment. Culture is a set of shared fundamental ideas that communities develop as they solve external adaption and internal integration difficulties. Dai, et al. (2018) define organizational culture, as comprising ideas, beliefs, traditions, and ideas, which is a distinctive quality that reflects an organization's objectives and values. Kangas, et al. (2018) added that organization culture is the moral standard of a workplace that takes into account the members' experiences, assumptions, and expectations. Jufnidar and Maarif (2018) also added that culture is also beneficial to staff performance, engagement, and job fulfillment. Marliana (2015) concluded that OC is a value system adopted by organizational members that determine how the people of the company work and behave. Ogaard et al. (2005) concluded that there is a link between organizational commitment and culture.

Research Method and Tools

Objectives:

This study aims to explore the role of Organizational Culture and its dimensions (viz., innovative, bureaucratic, supportive) across the Locus of Control viz., Internal and External among IT sector employees.

(i) To find out whether internal and external locus of control differentiate the organizational culture and its dimensions among IT sector employees.

(ii) To find out whether locus of control influence organizational culture and its dimensions among IT sector employees.

Study Design and Sample:. The tool was sent to various contacts through Google Forms, and a total of 165 responses were received. Out of these, 5 had to be rejected because of the missing data, and the remaining 160 were retained for the study. Hence the sample consisted of 160 (N) employees collected through stratified random sampling. Life span stage wise 38.8% (n=62) of employees belonged to early adulthood and 61.3% (n=98) of employees were in their mature adulthood period. Based on gender 35.6% (n=57) of employees were males and 64.4% (n=103) were females. In the tenure of work, 76.3% (n=122) of employees have work experience lesser than 10 years and 23.7% (n=38) have above 10 years. Based on the birth order 40.0% (n=64) of employees were first-born child in their family and 60% (n=96) were later born / second-born children. On the family type 66.9% (n=107) of employees are from a nuclear families and 33.1% (n=53) of employees are from a joint families. Based on their marital status 31.9% (n=53) employees are single/ unmarried and 68.1% (n=109) were married. In the socio-economic status 85.0% (n=136) of employees are from middle-class families and 15% (n=24) are from upper-middle-class families.

Organizational Culture Index (OCI) by Wallach's as adopted by Manjegowda (2011)

Bureaucratic, Innovative and Supportive cultures are identified by this 15 -item scale. The responses were marked in a 5-point rating scale with a score of 1 for 'not at all' response to 5 for a 'very large extent response. The investigator has re-established the reliability Cronbach a = 0.91 and this scale has adequate validity.

The Locus of Control instrument (Clawson, 2008)

This 20- item scale has two-dimensions i.e., internal locus of control and external locus of control. The responses were scored in a True / False dichotomous response.

Socio-demographic details were sought along with psychological measures used in this study.

Statistical Analysis

The data was screened in MS-Excel and scoring was done based on the manual. SPSS version 25 was used to analyse data. Percentage analysis was carried out to find the distribution of the sample. Cronbach's alpha was used to reestablish the reliability of the scales. Multiple linear regression was used to find out the influence of demographic variables on organizational culture.

Results and Discussion

Table 1

Internal and external locus of control among dimensions of organizational culture among employees

Variable	LOC	N	Mean	Sd	t-value
IC	*External*	109	20.53	3.74	4.90*
	Internal	51	17.25	4.33	
BC	*External*	109	20.68	3.8	3.31*
	Internal	51	18.5	4.03	
SC	*External*	109	21	3.17	4.35*
	Internal	51	18.19	4.86	
OC	*External*	109	62.22	9.7	4.65*
	Internal	51	53.96	11.89	

Note. *p<0.05.

IC= Innovative culture, BC= Bureaucratic Culture, SC= Supportive Culture, OC= Organizational Culture

It is evident from table 1 that the Mean and Standard Deviation of two groups based on their LoC on the dimensions of organizational culture were 20.53 and 17.25; 20.65 and 18.50; 21.00 and 18.19; and the Mean and SD for the organizational culture were 62.22 and 53.96, 9.70 and 11.89. This indicates that internal and external LoC of IT employees differed significantly on Innovative (t= 4.90, p>.05), Bureaucratic (t=3.31, p>.05), supportive (t=4.35, p>.05), and overall

organizational culture (t=4.65, p>.05). when a worker experience internal or external LoC as a result of the task they performed. Internal LoC will be seen in an employee's ability for work and in measurements of their success and failure on the job. Because of the nature of their personalities, individuals with external LoC believe that there are controls outside of themselves that support the outcomes of the job they complete, although organisational culturesdiffer in terms of internals and externals. where the mean difference is big for externals.

Table 2

Influence of locus of control on organization culture among employees at the workplace

Predictor Variable	Organizational culture			
	B	SE	β	t
Locus of control	-0.32	0.09	-0.27	-3.55*
F=12.64				
R=0.27				
R^2=0.07				

Note. *p<0.05.

The table 2 shows the multiple regression analysis for the influence of LoC (independent variables) on organizational culture (dependent variable). The findings indicated that LoC (ß = -0.27, t=-3.55, p < 0.05), significantly predicted organizational culture ($R2 = 0.07$; F = 12.64; p < 0.05) and together accounted for 7 per cent of the variance.

Table 3

Influence of locus of control on Innovative organization culture among employees at the workplace

Predictor Variable	Innovative culture			
	B	SE	β	t
Locus of control	-0.15	0.03	-0.34	-4.57*
F=20.93				
R=0.34				
R^2=0.11				

Note. *p<0.05.

The table 3 shows the multiple regression analysis for the influence of LoC (independent variables) on innovative organizational culture (dependent variable). The findings indicated that LoC (ß = -0.34, t=-4.57, p < 0.05), significantly predicted organizational culture (R2 = 0.11; F = 20.93; p < 0.05) and together accounted for 11 per cent of the variance.

Table 4 shows the multiple regression analysis for the influence of LoC (independent variables) on bureaucratic organizational culture (dependent variable). The findings indicated that LoC (ß = -0.17, t=-2.21, p < 0.05), significantly predicted organizational culture (R2 = 0.3; F = 12.64; p < 0.05) and together accounted for 3 per cent of the variance.

Table 4
Influence of locus of control on Bureaucratic organization culture among employees at the workplace

Predictor Variable	Bureaucratic culture			
	B	SE	β	t
Locus of Control	-0.07	0.03	-0.17	-2.21*
F=4.89				
R=0.17				
R²=0.03				

Note. *p<0.05.

Table- 5
Influence of locus of control on supportive organization culture among employees at the workplace

Predictor Variable	Supportive culture			
	B	SE	β	t
Locus of control	-0.09	0.03	-0.22	-2.86*
F=8.20				
R=0.22				
R²=0.04				

Note. *p<0.05.

Table 4 shows the multiple regression analysis for the influence of LoC (independent variables) on bureaucratic organizational culture (dependent variable). The findings indicated that LoC (ß = -0.17, t=-2.21, p < 0.05), significantly predicted organizational culture (R2 = 0.3; F = 12.64; p < 0.05) and together accounted for 3 per cent of the variance.

Table 5 shows the multiple regression analysis for the influence of LoC (independent variables) on supportive organizational culture (dependent variable). The findings indicated that LoC (ß = -0.22, t=-2.86, p < 0.05), significantly predicted organizational culture (R2 = 0.04; F = 8.20; p < 0.01) and together accounted for 4 per cent of the variance. LoC, has a considerable effect on commitment to challenging tasks. Persons with an external LoC have no influence over goal achievement, but people with an internal LoC have control over goal achievement, requiring extra work to fulfil the goals. Individuals with an internal LoC feel that what happens to them, whether success or failure, comes from inside. Organization culture has an impact on the organization's health and wealth. A positive organisational culture will improve employee incentive to accomplish a better job. This will boost their performance. Employees will perform better if the culture values and allows them to express their opinions, as well as if they feel fair and comfortable.

Conclusion

Employee personality is important at work and has an impact on Organizational culture. The impact of internal and external LoC as well as an organizational culture on workers in the IT sector was taken into consideration while conducting this study. Additionally, LoC study shows that internal LoC is essential because it motivates employees to accept responsibility for all the claims and credits while also taking risks, as compared to external LoC, which requires employees to wait for favorable external circumstances to arise. The manager has a big responsibility

to assist their workers in understanding and defining their LoC since this LoC may be changed with appropriate instruction and clear communication. In an increasingly unstable environment, organizations must realize how they may interact with one another and unleash human potential. Organizational culture creates a positive environment where innovation and idea sharing are encouraged and where both individual and collective knowledge are effectively used. Organizations must have enough resources and opportunities to create an ideal organization that will be distinguished by strong teamwork, connectivity, respect, independence, knowledge transfer, creative employees, tolerance for risk, and support for innovation to achieve success in establishing an organizational culture that supports and enhances the employees effectiveness.

Author affiliations

W. Cyril Allen Jonathan

Ph.D. Research scholar

Department of Psychology

Periyar University, Salem.

E-mail*: cyrilbg7000@gmail.com.

https://orcid.org/0000-0001-5018-191X

Dr. K. N. Jayakumar,

Assistant Professor,,

Department of Psychology,

Periyar University, Salem.

https://orcid.org/0000-0003-1546-9445

References

1. Amalini, H. F., Musadieq, M., &Afrianty, T. (2016). Pengaruh locus of control terhadapkepuasankerja dan kinerja (Studi pada karyawan Perusahaan Daerah Air Minum (PDAM) Kota Malang). JurnalAdministrasi Bisnis, 35(1).

2. Chen, J. C., & Silverthorne, C. (2008). The impact of locus of control on job stress, job performance and job satisfaction in Taiwan. Leadership & Organization Development Journal.

3. Dai, J., Chan, H. K., & Yee, R. W. (2018). Examining moderating effect of organizational culture on the relationship between market pressure and corporate environmental strategy. Industrial Marketing Management, 74, 227-236.

4. Jufnidar, J., &Ma'arif, S. (2018). Pengaruh budaya organisasi, komitmenorganisasi dan kepua sanker jaterhadapkinerja (studikasus di PT. CahayaInternusa Group Indonesia). Jurnal Riset Perbankan, Manajemen, dan Akuntansi, 2(2), 109-122.

5. Kangas, M., Kaptein, M., Huhtala, M., Lämsä, A. M., Pihlajasaari, P., & Feldt, T. (2018). Why do managers leave their organization? Investigating the role of ethical organizational culture in managerial turnover. Journal of Business Ethics, 153(3), 707-723.

6. Khushk, A. A., & Works, P. (2019). Impact of Locus of Control (LOC) and organizational commitment on employee performance-study of service sector, Pakistan. International Journal of Law and Peace Works, 6(5), 1-6.

7. Øgaard, T., Larsen, S., &Marnburg, E. (2005). Organizational culture and performance–evidence from the fast food restaurant industry. Food Service Technology, 5(1), 23-34.

8. Rotter, J.B. (1966). Generalized Expectancies for Internal Versus External Control of Reinforcement". Psychological monographs: General and applied, 80(1).

9. Saputra, K. A. K. (2014). Pengaruh Locus of Control terhadap Kinerja dan KepuasanKerja Internal Auditor dengan Kultur Lokal Tri Hita Karana sebagai Variabel Moderasi. JurnalAkuntansiMultiparadigma, 3(1),86-100.

10. Wahyuni, E. S., Taufik, T., &Ratnawati, V. (2016). PENGARUH BUDAYA ORGANISASI, LOCUS OF CONTROL, STRES KERJA TERHADAP KINERJA APARAT PEMERINTAH DAERAH DAN KEPUASAN KERJA SEBAGAI VARIABEL INTERVENING (StudiEmpiris Pada PemerintahKabupatenBengkalis). JurnalManajemen, 20(2), 189–206. https://doi.org/10.24912/jm.v20i2.43

11. Wallach, E. J. (1983). Organizations: The cultural match. Training and development journal, 37(2), 29-36.