

THE EFFECTS OF ORGANIZATIONAL CULTURE ON JOB SATISFACTION AND FINANCIAL PERFORMANCE

UDC: 005.73:331.101.32
Original Scientific Paper

**Predrag MALI¹, Bogdan KUZMANOVIĆ¹, Siniša MITIĆ¹,
Edit TEREK STOJANOVIĆ², Milan NIKOLIĆ³**

¹University of Novi Sad, Faculty of Technical Science, 21000 Novi Sad, Trg Dositeja Obradovića 6,
Republic of Serbia

²University of Novi Sad, Technical faculty "Mihajlo Pupin" in Zrenjanin, 23000 Zrenjanin, Đure Đakovića bb,
Republic of Serbia

E-mail: terekedita@gmail.com

³University of Novi Sad, Technical faculty "Mihajlo Pupin" in Zrenjanin, 23000 Zrenjanin, Đure Đakovića bb,
Republic of Serbia

Paper received: 19.07.2021.; Paper accepted: 17.12.2021.

The paper examines the effects of organizational culture on employee job satisfaction and financial performance. The research was carried out in organizations in Serbia. 220 employees participated in the research. The dimensions of organizational culture have statistically significant, strong, and positive correlations with the dimensions of job satisfaction and items of financial performance. The exception is the dimension of organizational culture OC3 - Power Distance, which has mostly negative correlations. The strongest influences are exerted by the dimensions of Collectivism within the group, Performance Orientation, Humane Orientation, and Assertiveness. The dimensions of organizational culture have stronger predictive effects on the dimensions of job satisfaction than on the items of financial performance. Thus, organizational culture has a greater impact on individual performance, social relations, personal feelings, and satisfaction of employees, while financial performance is also influenced by numerous external factors, such as the state of the industry, the strength, and performance of the competition, consumer needs, and requirements.

Keywords: Organizational culture; Job Satisfaction; Financial Performance; Employees; Serbia.

INTRODUCTION

According to Moynihan and Pandey (2007), organizational culture is one of the significant influencing factors that has an impact on the job satisfaction of employees in organizations. The reference (Judge, et al., 2001), determines that a larger number of satisfied employees in the organization contributes to the effectiveness of the organization and that organizational culture has the greatest influence on employee job satisfaction, in addition to some personal determinants. A strong link between organizational culture and job satisfaction was confirmed in Chinese organizations (Lee & Chang, 2008). Also, numerous references come to similar conclusions, for example (Amos & Weathington, 2008; Fargher

et al., 2008; Lund, 2003; Meyer et al., 2002; Sempene et al., 2002).

Employee job satisfaction increases if there is an honest attitude of the organization towards them, if there are chances for their personal development, enthusiasm for work, and good reputation of the organization, while job satisfaction decreases if there is an assertive environment in the organization (Bellou, 2010). Similarly, according to Silverthorne (2004), job satisfaction is greater if the organizational culture provides support to employees rather than if the organizational culture is focused on innovation or bureaucracy. A slightly different result was obtained in the paper by McKinnon et al. (2003), where it was found that, in addition to employee respect and stability, an innovative and assertive work environment has a

positive impact on employee job satisfaction. Also, results orientation and strict control can increase employee job satisfaction (Huang & Wu, 2000).

The research (Vukonjanski & Nikolić, 2014) has shown that organizational culture has an impact on job satisfaction in business organizations in Serbia. The connection between organizational culture and the job satisfaction (of teachers) has been confirmed in primary schools in Serbia (Gligorović et al., 2016). Other researches in Serbia show that job satisfaction, in addition to organizational culture, can be influenced by certain activities of human resource management, as well as the level of education. More precisely, recruitment, selection, training, development, and rewards have a positive effect on job satisfaction (Došenović, & Zolak-Poljašević, 2021), while with increasing the level of education there is an increase in job satisfaction, except in the case of the highest level of education (Ivanović-Đukić et al., 2018).

In addition to job satisfaction, organizational culture has an impact on several individuals and business performances of organizations. Thus, examples of such research are numerous (Black, 2003; Brown, 1995; Cameron & Quinn, 1999; Deal & Kennedy, 1982; House et al., 2004; Ogbonna & Harris, 2000; O'Reilly et al., 1991; Schein, 1985). Some references (Scott et al., 2003; Van Den Berg, & Wilder, 2004) emphasize the importance of developing and advancing quantitative research and measuring organizational culture, as well as its impact on the business performance of organizations. It can also be pointed out that organizational culture has an impact on the innovative characteristics of small and medium enterprises (Çakar & Ertürk, 2010), and also affects the quality of knowledge management (Kangas, 2009). According to (Gordon & DiTomaso, 1992), organizational culture has an impact on the effects of the business, that is, the business performance of the company. Similarly, the reference (Nikolić et al., 2011) shows that organizational culture has an impact on economic indicators in Serbian organizations. Also, in Serbian organizations, there is a connection between LMX dimensions and organizational culture (Vukonjanski et al., 2015).

Employee's job satisfaction and financial performance of the organization, undoubtedly, are important indicators of the quality and manner of work of each organization. Influences on these

parameters are certainly numerous, from individual to organizational, market, etc. In this paper, the focus is on the influences of organizational culture on employee job satisfaction and financial performance in organizations in Serbia. According to the data, not enough attention has been paid to this issue so far, in the Serbian context. By considering the most influential dimensions, it is possible to identify directions for improving the observed outcomes: job satisfaction of employees and financial performance of the organization. In this way, in addition to scientific, the research gained practical and social significance.

THEORY AND HYPOTHESIS

Organizational culture

Organizational culture is a model of shared values that give employees institutional meaning as well as rules of conduct in everyday life (Davis, 1984). "Organizational culture is a summary of important conclusions, invented, discovered, or developed by a given group while facing problems of external adaptation and internal integration, and are formulated well enough to be considered valuable and as such transmitted to new members of the organization, as the correct way of perception, thoughts, and feelings for the same problems" (Schein, 1985). Culture is a set of interdependent values and behaviors that are common to the community and that are sometimes maintained over a long period (Kotter & Heskett, 1992).

Organizational culture is a system of assumptions, beliefs, values, and norms of behavior that members of an organization have developed and adopted through shared experience, which are manifested through symbols and which guide thinking and behavior (Janićijević, 1997; Janićijević, 2008, p. 301). Organizational culture is a system of common meanings and symbols (Alvesson, 2002).

Every organization has its own organizational culture. With the development and expansion of the organization, the organizational culture is adopted by new employees. Thus organizational culture is transmitted and becomes a tradition. According to (Robbins & Judge, 2009, p. 573), organizational culture is a set of meanings that are common to some members of an organization, and that distinguish that organization from other organizations. However, large organizations have

one dominant organizational culture and several different subcultures. These subcultures stand out in the parts of the organization that differ in the nature of work or geographical distance. Subcultures retain the key values of the dominant culture, while also containing some additional values. It is important to note that every organization has a dominant culture that directs and shapes employee behavior.

Organizational culture influences the behavior of employees and the management must manage the organization without coming into conflict with the organizational culture. If the harmony between the management and the organizational culture is achieved in the organization, it gives a "wind in the back" to business success (Janićijević, 2008; Obradović et al., 2003).

Robbins and Judge (2009) emphasize that a strong organizational culture has a greater impact on employee's behavior rather than a weak organizational culture. It is difficult to change organizational culture, except in crises when the survival of the organization is in question. Employees who do not accept the values of organizational culture have a lack of motivation and are not satisfied with their job.

Job satisfaction

Job satisfaction includes the attitude that employees have about the work they do. It is a very complex term and numerous definitions speak in favor of it. Job satisfaction is a set of positive and negative feelings that employees cultivate towards their job (Davis & Newstrom, 1989). Job satisfaction is an attitude that shows how much people love their job (Spector, 1997). Job satisfaction is a set of feelings and beliefs that workers have concerning the work they do (Jones et al., 2000).

Job satisfaction is one of the affective reactions that employees have to their work, and is determined by comparing the actual outcomes with the outcomes that employees wish for (Hulin & Judge, 2003). Job satisfaction is an affective or emotional response to various aspects of a particular job (Kinicki & Kreitner, 2006). According to Robbins and Judge (2009), job satisfaction can be defined as a positive attitude about one's own job, which results from the assessment of the characteristics of that job.

Janićijević (2008) concluded that job satisfaction is a complex attitude that includes: Cognitive component - assumptions and beliefs of the employee about the job; Affective component - feelings of the employee towards the job; Evaluation component - job evaluation.

These definitions show that there are two concepts when it comes to job satisfaction (Robbins & Judge, 2009). The first concept starts from the global assessment of job satisfaction, ie. job satisfaction is not divided into individual elements. The second concept is more complex and encompasses elements of job satisfaction, such as the nature of the job, current salary, opportunities for advancement, and relationships with colleagues (Rollinson, Edwards & Broadfield, 1998). These definitions show that there are two concepts when it comes to job satisfaction (Robbins & Judge, 2009). The first concept starts from the global assessment of job satisfaction, ie. job satisfaction is not divided into individual elements. The second concept is more complex and encompasses elements of job satisfaction, such as the nature of the job, current salary, opportunities for advancement, and relationships with colleagues (Rollinson, Edwards & Broadfield, 1998).

Employee's job satisfaction is important because it has an impact on several organizational outcomes. Thus, job satisfaction is related to the following outcomes: work performance of employees (productivity), organizational citizenship behavior (OCB), customer satisfaction, absenteeism, fluctuation, and deviant behavior at the workplace (Robbins & Judge, 2009). In addition, the impact of job satisfaction also exists on: employee motivation, job involvement, organizational commitment, stress, and various illnesses, as well as life satisfaction (Kinicki & Kreitner, 2006). A high level of employee job satisfaction can have a positive effect on the overall performance of the organization, while a low level of job satisfaction can jeopardize the functioning of the organization (Galup et al., 2008).

Based on the previous considerations, the following hypotheses are set in this paper:

H1: There are statistically significant correlations between the dimensions of organizational culture on the dimensions of job satisfaction, in organizations in Serbia.

H2: There are statistically significant correlations of the dimensions of organizational culture on

the items of financial performance, in organizations in Serbia.
H3: There is a statistically significant predictive effect of dimensions of organizational culture on job satisfaction dimensions, in organizations in Serbia.

H4: There is a statistically significant predictive effect of dimensions of organizational culture on financial performance items, in organizations in Serbia.

Table 1: Descriptive statistics for the observed dimensions and items

Dimensions and items	Abbr.	N	Min	Max	Mean	Std. Dev.	α
Uncertainty Avoidance	OC1	220	1.000	7.000	4.070	1.129	0.724
Future Oriented	OC2	220	1.000	7.000	4.273	1.450	0.764
Power Distance	OC3	220	1.000	7.000	4.508	1.280	0.728
Collectivism 1 (Institutional)	OC4	220	1.000	7.000	4.248	1.014	0.732
Humane Orientation	OC5	220	1.000	7.000	4.564	1.425	0.855
Performance Orientation	OC6	220	1.000	7.000	4.049	1.440	0.835
Collectivism 2 (In group)	OC7	220	1.600	7.000	4.655	1.266	0.861
Gender Egalitarianism	OC8	220	1.500	7.000	3.844	.856	0.714
Assertiveness	OC9	220	1.000	7.000	4.281	1.319	0.808
Pay	JS1	220	1.000	6.000	3.402	1.319	0.832
Promotion	JS2	220	1.000	6.000	3.642	1.416	0.892
Supervision	JS3	220	1.000	6.000	4.628	1.206	0.885
Fringe benefits	JS4	220	1.000	6.000	3.598	1.367	0.884
Contingent rewards	JS5	220	1.000	6.000	3.637	1.363	0.884
Operating procedures	JS6	220	1.000	6.000	3.469	1.036	0.755
Coworkers	JS7	220	1.000	6.000	4.276	1.142	0.817
Nature of work	JS8	220	1.000	6.000	4.632	1.140	0.873
Communication	JS9	220	1.000	6.000	4.224	1.185	0.831
Productivity	FP1	220	1	5	3.62	.816	
Profitability	FP2	220	1	5	3.50	.830	
Market share	FP3	220	1	5	3.45	.866	
Sales growth	FP4	220	1	5	3.20	.905	
Competitive status	FP5	220	1	5	3.54	.928	
Asset growth	FP6	220	1	5	3.34	.874	
Salaries	FP7	220	1	5	3.25	.826	
Financial performance	FP	220	1.286	5.000	3.414	.685	0.902

METHOD

Survey instruments (measures)

Organizational culture was measured using the GLOBE project instrument for measuring national and organizational culture (House, et al., 1999; House et al., 2002; House et al., 2004). The first part of the alpha questionnaire was used, which measures the organizational culture, and the state "as it is". This questionnaire has 34 items, classified into 9 dimensions. The respondents made their evaluations on a seven-point Likert scale.

Employee job satisfaction was measured using the Job Satisfaction Survey (JSS) instrument (Spector, 1985). The questionnaire has 36 items, classified

into 9 dimensions. The respondents rated the dimensions on a six-point Likert scale.

Financial performance is chosen based on performance that is often measured in other references, for example (Tan & Litschert, 1994; Wang et al., 2011). Thus, a set of 7 financial performances (items) was compiled, which were measured in this paper. The respondents rated the items on a five-point Likert scale. All seven items were considered separately, and also as one dimension composed of these seven items (financial performance dimension).

Participants and data collection

The research was conducted in 28 organizations in Serbia. In the beginning, 250 questionnaires were distributed to respondents, of which 235 completed questionnaires were collected. Some questionnaires were excluded from further analyzes because the answers were not complete, leaving 220 valid questionnaires (N = 220). The percentage of those who successfully completed was 88%.

Correlation analysis

The results of the correlation analysis are given in Tables 2 and 3, according to Mali (2021).

Regression analysis

The results of the regression analysis are given in Tables 4 and 5 (see next page), according to Mali (2021). Statistically significant values in these tables are given in bold (and shaded fields).

RESULTS

Descriptive statistics

The results of the descriptive statistics are given in Table 1 (see the previous page), according to Mali, (2021).

Table 2: Coefficients of correlation between the organizational culture dimensions and job satisfaction dimensions

	JS1	JS2	JS3	JS4	JS5	JS6	JS7	JS8	JS9
OC1	.535**	.506**	.370**	.519**	.520**	.585**	.432**	.289**	.545**
OC2	.574**	.571**	.395**	.548**	.530**	.544**	.519**	.333**	.517**
OC3	-.151*	-.205**	.013	-.111	-.150*	.002	-.050	-.057	-.091
OC4	.484**	.505**	.246**	.471**	.476**	.515**	.411**	.218**	.453**
OC5	.522**	.486**	.398**	.485**	.536**	.490**	.584**	.366**	.599**
OC6	.684**	.695**	.422**	.658**	.677**	.606**	.562**	.368**	.613**
OC7	.650**	.655**	.559**	.668**	.687**	.597**	.666**	.457**	.672**
OC8	.341**	.371**	.316**	.328**	.345**	.364**	.379**	.256**	.378**
OC9	.615**	.536**	.457**	.554**	.572**	.511**	.550**	.356**	.524**

*p<0.05; **p<0.01.

Table 3: Coefficients of correlation between the organizational culture dimensions and financial performance items and financial performance dimension

	FP1	FP2	FP3	FP4	FP5	FP6	FP7	FP
OC1	.401**	.415**	.356**	.305**	.317**	.397**	.321**	.451**
OC2	.409**	.343**	.281**	.280**	.319**	.328**	.263**	.399**
OC3	-.059	.010	-.035	-.053	-.014	.070	.009	-.013
OC4	.370**	.365**	.296**	.298**	.342**	.429**	.282**	.429**
OC5	.461**	.446**	.359**	.362**	.320**	.455**	.203**	.468**
OC6	.525**	.461**	.433**	.453**	.436**	.458**	.266**	.546**
OC7	.542**	.544**	.440**	.407**	.469**	.515**	.354**	.588**
OC8	.273**	.217**	.237**	.177**	.114	.179**	.189**	.248**
OC9	.417**	.380**	.307**	.297**	.296**	.342**	.274**	.415**

*p<0.05; **p<0.01.

Table 4: Regression analysis (independent variables: the organizational culture dimensions; dependent variables: job satisfaction dimensions)

Dep.	Indep.									R ²	F	Sig.
	OC1	OC2	OC3	OC4	OC5	OC6	OC7	OC8	OC9			
	β											
JS1	.194	.045	-.060	-.029	-.107	.316	.233	.066	.161	0.559	29.533	.000
JS2	.145	.161	-.134	-.026	-.153	.372	.332	.125	-.093	0.578	31.920	.000
JS3	.100	.032	.057	-.283	-.118	.014	.619	.131	.124	0.384	14.534	.000
JS4	.169	.096	-.023	-.081	-.181	.321	.421	.055	.023	0.540	27.428	.000
JS5	.175	.015	-.073	-.074	-.088	.295	.398	.083	.052	0.559	29.577	.000
JS6	.292	.107	.044	.055	-.038	.233	.151	.088	.004	0.505	23.778	.000
JS7	.062	.130	-.022	-.122	.144	-.005	.464	.131	.021	0.497	23.043	.000
JS8	.056	.087	-.033	-.204	.026	.018	.446	.114	-.022	0.244	7.526	.000
JS9	.231	.077	-.073	-.091	.162	.099	.359	.136	-.080	0.540	27.364	.000

Table 5: Regression analysis (independent variables: the organizational culture dimensions; dependent variables: financial performance items and financial performance dimension)

Dep.	Nez.									R ²	F	Sig.
	OC1	OC2	OC3	OC4	OC5	OC6	OC7	OC8	OC9			
	β											
FP1	.114	.064	.000	-.089	.049	.245	.303	.055	-.075	0.339	11.952	.000
FP2	.170	-.039	.048	-.049	.055	.109	.404	-.007	-.024	0.323	11.147	.000
FP3	.165	-.061	.009	-.094	.000	.274	.259	.075	-.075	0.241	7.394	.000
FP4	.088	-.019	.030	-.069	.046	.400	.143	-.004	-.102	0.225	6.774	.000
FP5	.051	.087	.074	-.027	-.120	.294	.410	-.112	-.136	0.262	8.287	.000
FP6	.136	-.022	.113	.092	.133	.151	.261	-.079	-.071	0.320	10.960	.000
FP7	.185	-.023	-.007	.076	-.188	-.089	.328	.057	.113	0.171	4.807	.000
FP	.162	-.001	.049	-.029	-.005	.254	.378	-.005	-.070	0.388	14.812	.000

DISCUSSION

Discussion of the results of the correlation analysis (checking hypotheses H1 and H2)

The influence of organizational culture on job satisfaction (following Mali (2021))

The results of the correlation analysis, given in Table 2, show that there are statistically significant, strong, and positive correlations between the dimensions of organizational culture and the dimensions of job satisfaction. The exception is the dimension of organizational culture OC3 - Power Distance, which achieves negative correlations, and which in some cases is statistically significant. In this way, hypothesis H1 was confirmed. Similar results, according to which organizational culture has an impact on job satisfaction, have been obtained in numerous references (Amos & Weathington, 2008; Fargher et al., 2008; Judge et al., 2001; Lee & Chang, 2008; Lund, 2003; Meyer et al., 2002; Moynihan & Pandey, 2007; Sempene et al., 2002; Vukonjanski, Nikolić, Hadžić, Terek, & Nedeljković, 2012).

From the dimensions of organizational culture, the strongest influence on the dimensions of job satisfaction has the dimension OC7 - Collectivism within the group. According to this result, good interpersonal relationships are the basis for increased employee satisfaction in organizations in Serbia. The loyalty of the organization to the employees, as well as the loyalty of the employees to the organization, and the pride of the employees who work for their organization, largely indicate satisfied employees. The next dimension of organizational culture, according to the strength of the impact on the dimensions of job satisfaction has the dimension OC6 - Performance Orientation. If the organization encourages employees to improve their performance, this forms a reward system that is based on efficiency, and not based on certain positions and connections. If innovation is rewarded, it will altogether have a positive effect on employee job satisfaction. The influence of the dimension OC9 - Assertiveness, which is the third strongest, should also be emphasized. If employees are ready to fight for their beliefs, if they are ambitious, full of self-confidence, mentally strong and determined, it clearly indicates a high degree

of job satisfaction of employees. They would not be able to have all the listed characteristics that describe assertiveness if they do not feel increased job satisfaction. Similar results, regarding the influence of dimensions OC6 - Performance Orientation and OC9 - Assertiveness, were obtained in references (Huang & Wu, 2000; McKinnon et al., 2003).

On the other hand, from the dimensions of organizational culture, the weakest influence, as it was previously said, has the dimension OC3 - Power Distance. At the same time, the effects of this dimension are negative. If there is a pronounced formation of authority in the organization based on position, and not based on results, if employees are expected to listen unconditionally to their superiors, then job satisfaction of employees certainly cannot be at a high level. Power distance causes dissatisfaction among employees. In some dimensions, this impact is particularly strong (certainly negative). The strongest negative impact, OC3 - Power Distance has on the dimension JS2 - Promotion. In conditions of high power distance, it is difficult to expect objective conditions for the advancement of employees. Usually, in such conditions, advancement is based on good connections and relationships with people who have power in the organization. In addition, statistically significant negative effects of the dimension OC3 - Power Distance, also occur with the dimensions JS1 - Salary and JS5 - Contingent rewards. This can be explained in two ways. First, a high power distance can affect a leader's decision about salaries and rewards, and he, using his power, decides about it according to personal affinities, which usually implies a high degree of subjectivity. Second, the high power distance may not have a direct impact on salaries and rewards (especially in state-owned enterprises), but it may provoke a perception among employees that they are dissatisfied with salaries and rewards. Simply, in the conditions of a high power distance, employees are generally dissatisfied, so they certainly perceive the amount of salary and possible rewards as unfavorable. It should be borne in mind that this is about salary satisfaction, not salary level. So, sometimes the salary can be of an appropriate amount, but the employee is not satisfied with the salary. This usually happens when there is an unfavorable situation in the organization, and such a situation is often a consequence of a high power distance.

From the other dimensions of organizational culture, the weakest influence on the dimensions of job satisfaction have the dimensions OC8 - Gender Equality and OC4 - Institutional Collectivism. At the same time, it should be borne in mind that these dimensions have statistically significant and positive effects on the dimensions of job satisfaction, only these effects are somewhat weaker compared to other dimensions. Thus, according to these results, job satisfaction is somewhat less affected by whether there are more women or men in managerial positions, and whether men or women are more encouraged to pursue professional development. Likewise, emphasizing collective interests and teamwork cannot increase employee job satisfaction so strongly.

From the dimensions of job satisfaction, under the greatest influence of the dimensions of organizational culture, there is the dimension JS1 - Salary. As it has already been said, this is about salary satisfaction, not the amount of salary. Thus, a generally favorable organizational culture affects the general satisfaction of employees, and this is perhaps best reflected in the perceived satisfaction with the salary. In other words, if the organizational culture is favorable and employees feel good in the organization, then there is a pronounced tendency for employees to be satisfied with the salary, regardless of its actual level. (This should be understood conditionally: not every salary level can be perceived with strong salary satisfaction.) The next dimension of job satisfaction, according to the strength of the influence of organizational culture, is JS2 - Promotion. The chances for progress and fairness in that process are significantly influenced by the organizational culture. Also, there is a significant influence of the dimensions of organizational culture on the dimension of JS5 - Contingent rewards. What the organization rewards and how it rewards, significantly defines the very essence of the organization, that is, its organizational culture. In this way, organizational culture influences rewarding. In addition, these influences can still be explained similarly to the influences on the dimension JS1 - Salary: perceived satisfaction with rewards is often related to the experience of the benefits of organizational culture.

Of the dimensions of job satisfaction, under the weakest influence of organizational culture is the dimension JS8 - Nature of work, and then the

dimensions JS3 - Supervision, and JS7 - Coworkers. It should be noted that these dimensions have statistically significant and positive correlations with the dimensions of organizational culture (except for the influence of the dimension OC3 - Power Distance), only these correlations are weaker than other dimensions of job satisfaction. Simply put, organizational culture cannot to such an extent affect how much employees will like to do jobs in their workplace, as well as how much each job has a pronounced meaning and significance. Also, organizational culture cannot greatly affect the satisfaction of some people (superiors and associates), satisfaction with superiors and associates largely depends on the very personality of those people.

The impact of organizational culture on financial performance (following Mali (2021))

The results of the correlation analysis, given in Table 3, show that there are statistically significant, strong, and positive correlations between the dimensions of organizational culture and the item of financial performance. The exception is (again) the dimension of organizational culture OC3 - Power Distance, which has no statistically significant correlation with items of financial performance. In this way, it can be said that hypothesis H2 has been confirmed. Similar results, according to which organizational culture has an impact on financial performance, have been obtained in numerous references (Black, 2003; Brown, 1995; Cameron & Quinn, 1999; Deal & Kennedy, 1982; Gordon & DiTomaso, 1992; House et al., 2004; Nikolić et al., 2011; O'Reilly et al., 1991; Ogbonna & Harris, 2000; Schein, 1985).

Within dimensions of organizational culture, the strongest influence on the items of financial performance have dimensions OC7 - Collectivism within the group, then OC6 - Performance Orientation, and OC5 - People Orientation. Thus, the business aspects of the organization's work can be largely influenced by the development and improvement of the community in the team, subsequently the loyalty of the organization to employees and employees to the organization. Also, the reward system has a great influence, first of all, fairness in rewarding, but also encouraging employees to improve their performance. Thus, there is a direct improvement of the business results of the organization, but also indirectly

through the additional motivation of employees. Finally, good interpersonal relationships, consideration for others, a sense of other employees, and a willingness to reciprocate camaraderie, contribute significantly to improving financial performance.

As aforementioned, within the dimensions of organizational culture, the weakest influence has the dimension OC3 - Power Distance. These impacts are not statistically significant, therefore, the power distance cannot significantly reduce financial performance, but it certainly does not affect their increase. Based on that, it can be said that the power distance has a greater impact (negative) on individual performance (for example, job satisfaction), and less on business performance. This is logical: the power distance is more a personal experience and affects people's feelings more than it may have a direct impact on business. Practically, regardless of the possible increased power distance, employees have to do their job, so productivity does not decrease due to the power distance, but employees in such conditions cannot feel high satisfaction.

In addition, the dimension OC8 - Gender Equality has a weaker impact (but still statistically significant and positive) on financial performance. Therefore, business results are favorably affected if women are encouraged to pursue professional development and if there are more women in management positions, but not to such an extent. This can be considered a logical result: the representation of women in management shows that the organization respects gender equality and promotes the right values, which is certainly good for the overall business, but at the same time, there are dimensions of organizational culture that have a greater impact on financial performance.

Under the greatest influence of the dimensions of organizational culture, there is precisely the dimension of FP - Financial Performance. Thus, organizational culture has the greatest impact on overall financial performance, rather than on individual items. This is logical because the dimension summarizes all the observed items, so the influences are the strongest. Of the individual items, under the strongest influence of the dimensions of organizational culture, there is item FP1 - Productivity of my company, and then item FP2 - Profitability of my company. Organizational culture can motivate employees, and this is

reflected in their productivity and then in profitability.

Under the weakest influence of the organizational culture dimensions, there is the item FP7 - Salaries of employees in my company. This result, at first glance, is not following the result according to which the dimensions of an organizational culture strongly influence the dimension JS1 - Salary. However, the difference is that the dimension of job satisfaction JS1 – Salary, represents salary satisfaction, while item FP7 - Salary of employees in my company represents the amount of salary. This is the best way to see the impact of organizational culture on salary: a favorable organizational culture cannot directly increase the amount of salary, but it can increase satisfaction with salary.

Furthermore, the organizational culture dimensions have a slightly weaker impact on items FP5 - Competitiveness of my company, FP4 - Sales growth of my company, and FP3 - Market share of my company. These items represent some market aspects of the organization's business, therefore, something that largely happens outside the organization and depends on external factors. Since the organizational culture is an internal thing, which takes place within the organization, its influence is lost when entering the environment, the market. Sales growth, market share, and competitiveness of the organization depend on some other external factors, such as the effects of competition, the effects of consumers, the effects of change, market needs, etc.

Discussion of the results of the regression analysis (verification of hypotheses H3 and H4)

The predictive effect of organizational culture on job satisfaction (following Mali (2021))

Table 4 presents the results of regression analysis to examine the predictive effects of organizational culture dimensions on job satisfaction dimensions. The strongest predictive effect has the dimensions OC7 - Collectivism within the group and OC6 - Performance orientation, which is in line with the results of correlation analysis because these two dimensions have the strongest correlations with the dimensions of job satisfaction (Table 2). As stated, job satisfaction, among other things, can be greatly increased in the case of the organization's loyalty to employees and employees to the organization,

then when rewards are based on results and efficiency.

As a difference in the results of the correlation analysis, the regression analysis showed strong predictive effects of two more dimensions: OC1 - Uncertainty Avoidance and OC8 - Gender equality. In regression analysis, due to the effect of a number of independent variables, avoiding uncertainty shows the potential to significantly raise employee job satisfaction. Conditions of predictability, orderliness, consistency, simplicity, and absence of stress, contribute to the employees' more relaxed feeling, at ease, and thus more satisfied. Also, favorable conditions regarding gender equality can increase job satisfaction, especially in the following dimensions: JS9 - Communication, JS7 - Coworkers, JS3 - Supervision. These are the dimensions that refer to the satisfaction with interpersonal relations, so, logically, the conditions of gender equality affect these dimensions.

What is interesting, and at the same time contrary to the results of the correlation analysis, are some negative predictive effects of the dimensions OC4 - Institutional Collectivism and OC5 - Orientation towards people. In the regression analysis, due to the effect of a number of independent variables, the dimension OC4 - Institutional Collectivism has a negative predictive effect on the dimensions JS3 - Supervision, and JS8 - Nature of work. Institutional collectivism, which involves emphasizing collective loyalty, collective interests, and teamwork, in a broader context of influence, can negatively affect satisfaction with supervision and the nature of work. The explanation for this phenomenon may be as follows: the emphasis on collective interests may in some circumstances be poorly accepted by employees because they may feel that their personal goals are being neglected because of collective goals and interests. As institutional collectivism is largely promoted through middle and lower managers, the dissatisfaction of employees due to the forcing of collective interests is directed at the first superior. Also, in the same situation, there may be dissatisfaction with the nature of work: putting collective goals and interests in the foreground can make employees feel that they are only part of a large system and that they themselves and what they do are not so important and can be replaced by someone else who would do the same job. Such circumstances can easily shake faith in the

meaning and significance of what employees do, as well as job satisfaction and pride in their work.

In the regression analysis, due to the effect of a number of independent variables, the dimension OC5 - Orientation towards people has a negative predictive effect on the dimensions JS2 - Promotion and JS4 - Fringe benefits. The explanation of this phenomenon can be the following: a strong orientation towards people means that there is a strong feeling for others in the organization, consideration for others, a high level of socializing, generosity, and similar. In such conditions, employees can relax, they begin to see their superiors as friends, and they begin to think that everything is available to them. Finally, they then feel that they deserve a promotion, additional privileges, and benefits, and do not understand why this is possibly lacking if they are on very good terms with the people in their work environment. Then employees can feel dissatisfaction with the speed and degree of their progress, as well as with the amount and types of benefits they achieve.

According to Table 4, the corrected R^2 determination indices have statistically significant and high values, ranging from 0,244 to 0,578. In this way, it was confirmed that there is a statistically significant predictive effect of the dimensions of organizational culture on the dimensions of job satisfaction, that is, hypothesis H3 was confirmed. Observed according to certain dependent variables (dimensions of job satisfaction), under the strongest predictive effect of the dimensions of organizational culture, there are dimensions JS2 - Promotion, JS1 - Salary, and JS5 - Contingent rewards. On the other hand, under the weakest predictive effect of the dimensions of organizational culture, are the dimensions JS8 - Nature of work, followed by JS3 - Supervision, and JS7 - Coworkers. These results are completely consistent with the results of the correlation analysis (Table 2).

The predictive effect of organizational culture on financial performance (following Mali (2021))

Table 5 presents the results of regression analysis to examine the predictive effects of organizational culture dimensions on financial performance items. As in the case of the predictive effect on the dimensions of job satisfaction, the strongest predictive effect on the items of financial

performance have the dimensions OC7 - Collectivism within the group and OC6 - Performance Orientation. This is also in line with the results of the correlation analysis (these two dimensions have the strongest correlations with the items of financial performance - Table 3). As mentioned, the business performance of the organization can be greatly improved by good relations in the team, mutual loyalty between employees and the organization, fair rewards, and encouraging employees to improve their work.

In addition, regression analysis showed a pronounced predictive effect of dimension OC1 - Uncertainty Avoidance. Conditions of predictability, orderliness, consistency, simplicity, and absence of stress, contribute to efficiency in business, so certain items of financial performance grow. It should be noted that the dimensions OC4 - Institutional Collectivism and OC9 - Assertiveness have a negative predictive effect on certain items of financial performance. These predictive effects are not statistically significant but may indicate a certain tendency. Emphasizing collective interests and increased assertiveness in performance can reduce employee satisfaction, and there may be a decline in certain business performance.

According to Table 5, the corrected R^2 determination indices have statistically significant and fairly high values, ranging from 0,171 to 0,388. In this way, it was confirmed that there is a statistically significant predictive effect of the dimensions of organizational culture on the items of financial performance, that is, hypothesis H6 was confirmed. Observed according to certain dependent variables (items of financial performance), under the strongest predictive effect of the dimensions of organizational culture, there are items FP - Financial performance, FP1 - Productivity of my company, and FP2 - Profitability of my company. On the other hand, under the weakest predictive effect of the dimensions of organizational culture, there are items FP7 - Salaries of employees in my company, FP4 - Sales growth of my company, and FP3 - Market share of my company. These results are almost completely consistent with the results of the correlation analysis (Table 3).

By comparing the strength of the predictive effects of the dimensions of organizational culture on the dimensions of job satisfaction and the items of financial performance, it can be noticed that the

predictive effect is stronger on the dimensions of job satisfaction. This is also logical, since organizational culture has a greater impact on individual performance, social relations, and personal feelings of individual employees, while business performance is also influenced by numerous external factors, such as the market, competition, and consumers.

CONCLUSION

There are statistically significant, strong, and positive correlations between the dimensions of organizational culture and the dimensions of job satisfaction. The exception is the dimension of organizational culture OC3 - Power Distance, which has negative correlations, and which in some cases is statistically significant. The strongest influence on the dimensions of job satisfaction has the dimension OC7 - Collectivism within the group, then followed by the dimensions OC6 - Performance Orientation and OC9 - Assertiveness.

There are statistically significant, strong, and positive correlations between the dimensions of organizational culture and the item's financial performance. Only the dimension OC3 - Power Distance has no statistically significant correlations with financial performance items. From the dimensions of organizational culture, the strongest influence on the items of financial performance have the dimensions OC7 - Collectivism within the group, then OC6 - Performance Orientation, and OC5 - People Orientation.

Regression analysis showed that the dimensions of organizational culture have stronger predictive effects on the dimensions of job satisfaction than on the items of financial performance. This can be considered as a logical result: organizational culture has a greater impact on individual performance, social relations, personal feelings, and employee satisfaction, while financial performance is influenced by many external factors, such as the situation in the industry, the strength, and operation of competition, the needs and requirements of consumers.

The scientific significance of the paper is that it looks at the relationships between very important elements of organizational behavior, such as organizational culture, job satisfaction, and financial performance. This setting of the research, in itself, indicates the importance of the observed

elements of the research, ie dependent and independent variables. Additional scientific significance is that the mentioned relations have not been sufficiently researched in organizations in Serbia so far.

In addition, the paper has a pronounced social, that is, practical component. Knowledge of the researched elements of organizational behavior enables leaders and managers to understand their mutual relations and to define directions of action for improving the individual and financial performance of their organizations. It should be noted that by improving the organizational culture, significant effects can be achieved in terms of employee satisfaction and business results, all with minimal investment of money. It is often enough just to change some procedures and behaviors of people in managerial positions so that the situation seriously improves.

REFERENCES

- Alvesson, M. (2002). *Understanding Organizational Culture*. London: Sage Publications Inc.
- Amos, E.A., & Weathington, B.L. (2008). An Analysis of the Relation between Employee-Organisation Value Congruence and Employee Attitudes. *The Journal of Psychology*, 142(6), 615-631.
- Bellou, V. (2010). Organizational culture as a predictor of job satisfaction: the role of gender and age. *Career Development International*, 15(1), 4-19. <https://doi.org/10.3200/JRLP.142.6.615-632>
- Black, R.J. (2003). *Organisational Culture: Creating the Influence Needed for Strategic Success*. London: dissertation.com.
- Brown A. (1995). *Organizational Culture*. London: Pitman.
- Çakar, N.D., & Ertürk, A. (2010). Comparing Innovation Capability of Small and Medium-Sized Enterprises: Examining the Effects of Organizational Culture and Empowerment. *Journal of Small Business Management*, 48(3), 325-359. <https://doi.org/10.1111/j.1540-627X.2010.00297.x>
- Cameron, K.S., & Quinn, R.E. (1999). *Diagnosing and Changing Organizational Culture*. OD Series: Addison-Wesley.
- Davis, S.M. (1984). *Managing corporate culture*. Cambridge, MA: Ballinger.
- Davis, K., & Newstrom, J.W. (1989). *Human behavior at work: Organizational behavior*. New York: McGraw-Hill.
- Deal T.E., & Kennedy, A.A. (1982). *Corporate Cultures: The Rites and Rituals of Corporate Life*. Penguin Books, Harmondsworth.
- Došenović, D., & Zolak-Poljašević, B. (2021). The impact of human resource management activities on job satisfaction. *Anali Ekonomskog fakulteta u*

- Subotici*, 57(45), 117-131.
<https://doi.org/10.5937/AnEkSub2145117D>
- Fargher, S., Kesting, S., Lange, T., & Pacheco, G. (2008). Cultural heritage and job satisfaction in Eastern and Western Europe. *International Journal of Manpower*, 29(7), 630-650.
<https://doi.org/10.1108/01437720810908938>
- Galup, S.D., Klein, G., & Jiang, J.J. (2008). The impact of job characteristics on employee satisfaction: A comparison between permanent and temporary employees. *Journal of Computer Information Systems*, 48(4), 58-68.
<https://doi.org/10.1080/08874417.2008.11646035>
- Gligorović, B., Nikolić, M., Terek, E., Glušac, D., & Tasić, I. (2016). The impact of school culture on Serbian primary teachers' job satisfaction. *Hacettepe University Journal of Education (Hacettepe Üniversitesi Eğitim Fakültesi Dergisi)*, 31(2), 231-248. <https://doi.org/10.16986/HUJE.2016015184>
- Gordon, G.G., & DiTomaso, N. (1992). Predicting Corporate Performance From Organizational Culture. *Journal of Management Studies*, 29(6), 783-798. <https://doi.org/10.1111/j.1467-6486.1992.tb00689.x>
- House, R.J., Hanges, P.J., Javidan, M., Dorfman, P.W., & Gupta, V. (2004). *Leadership, culture, and organizations: The GLOBE study of 62 societies*. Thousand Oaks, CA: Sage.
- House, R. J., Hanges, P. J., Ruiz-Quintanilla, S. A., Dorfman, P. W., Falkus, S. A., & Ashkanasy, N. M. (1999). Cultural influences on leadership and organizations: Project Globe. In W. H. Mobley, M. J. Gessner and V. Arnold (Ed.), *Advances in Global Leadership 2 ed.* (171-233) Bingley, UK: Emerald Group Publishing Ltd.
- House, R.J., Javidan, M., Hanges, P., & Dorfman, P. (2002). Understanding Cultures and Implicit Leadership Theories Across the Globe: An Introduction to Project GLOBE. *Journal of World Business*, 37(1), 3-10.
[https://doi.org/10.1016/S1090-9516\(01\)00069-4](https://doi.org/10.1016/S1090-9516(01)00069-4)
- Huang, I.C., & Wu, J.M. (2000). The corporate culture and its effect on organizational commitment and job satisfaction in public sector: an example of the Taiwan Tobacco and Liquor Monopoly Bureau. *Review of Public-owned Enterprises*, 2(1), 25-46.
- Hulin, C.L., & Judge, T.A. (2003). Job attitudes. In: I.B. Weiner (series ed.), W.C. Borman, D.R. Ilgen, R.J. Klimoski (vol. eds.), *Handbook of Psychology*, vol. 12: Industrial and Organizational Psychology, Hoboken, NJ: Wiley, pp. 255-276.
- Ivanović-Dukić, M., Đorđević, B., & Lepojević, V. (2018). Mediating effects of educational level on job related characteristics: Job satisfaction relationship. *Strategic Management*, 23(2), 13-21.
<https://doi.org/10.5937/StraMan1802013I>
- Janićijević, N. (1997). *Organizaciona kultura*. Novi Sad: Ulix.
- Janićijević, N. (2008). *Organizaciono ponašanje*. Beograd: Data Status.
- Jones, G.R., George, J.M., & Hill, C.W.L. (2000). *Contemporary management*. Boston MA: Irwin/McGraw-Hill.
- Judge, T.A., Thoresen, C.J., Bono, J.E., & Patton, G.K. (2001). The Job Satisfaction - Job Performance Relationship: a Qualitative and Quantitative Review. *Psychological Bulletin*, 127(3), 376-407.
<https://doi.org/10.1037/0033-2909.127.3.376>
- Kangas, L.M. (2009). Assessing the value of the relationship between organizational culture types and knowledge management initiatives. *Journal of Leadership Studies*, 3(1), 29-38.
<https://doi.org/10.1002/jls.20093>
- Kinicki, A., & Kreitner, R. (2006). *Organizational behavior: key concepts, skills and best practices*, 2nd Edition. New York: McGraw-Hill.
- Kotter, J.P., & Heskett, J.L. (1992). *Corporate Culture and Performance*. New York: Free Press.
- Lee, Y.D., & Chang, H.M. (2008). Relations between Team Work and Innovation in Organizations and the Job Satisfaction of Employees: A Factor Analytic Study. *International Journal of Management*, 25(3), 732-779.
- Lund, D.B. (2003). Organizational culture and job satisfaction. *Journal of Business & Industrial Marketing*, 18(3), 219-236.
<https://doi.org/10.1108/0885862031047313>
- Mali, P. (2021). *The influence of organizational culture and leadership on job satisfaction of employees and financial performance of the organization*. Specialist work, Faculty of Technical Sciences, Novi Sad, Serbia.
- McKinnon, L.J., Harrison, L.G., Chow, W.C., & Wu, A. (2003). Organizational culture: association with commitment, job satisfaction, propensity to remain and information sharing in Taiwan. *International Journal of Business Studies*, 11(1), 25-44.
- Meyer, J.P., Stanley, D.J., Herscovitch, L., & Topolnysky, L. (2002). Affective, Continuance, and Normative Commitment to the Organization: A Meta-analysis of Antecedents, Correlates, and Consequences. *Journal of Vocational Behavior*, 61(1), 20-52. <https://doi.org/10.1006/jvbe.2001.1842>
- Moynihan, D.P., & Pandey, S.K. (2007). Finding workable levers over work motivation: Comparing job satisfaction, job involvement, and organizational commitment. *Administration & Society*, 39(7), 803 - 832. <https://doi.org/10.1177/0095399707305546>
- Nikolić, M., Savić, M., Čočkaló, D., Vukonjanski, J., & Jovanović, D. (2011). The impact of organizational culture on economic indices - A study in Serbian companies. *African Journal of Business Management*, 5(11), 4622-4635.
<https://doi.org/10.5897/AJBM10.1479>
- Ogbonna, E., & Harris, L.C. (2000). Leadership style, organizational culture and performance: empirical evidence from UK companies. *The International Journal of Human Resource Management*, 11(4), 766-788.
<https://doi.org/10.1080/09585190050075114>

- Obradović, K.R., Cvijanović, J.M., & Lazić, J.M. (2003). Organizaciona kultura kao ključni faktor internog okruženja preduzeća. *Industrija*, 31(3-4), 51-68.
- O'Reilly, C.A. III, Chatman, J., & Caldwell, D.F. (1991). People and Organizational Culture: A Profile Comparison Approach to Assessing Person-Organization Fit. *Academy of Management Journal*, 34(3), 487-516. <https://doi.org/10.5465/256404>
- Robbins, S.P., & Judge, T.A. (2009). *Organizational Behavior*, 12th Edition. Zagreb: Mate d.o.o.
- Rollinson, D., Edwards, D.J., Broadfield, A. (1998). *Organisational Behaviour and Analysis: An Integrated Approach*. Wallingford, United Kingdom: Addison-Wesley.
- Schein, E.H. (1985). *Organizational Culture and Leadership: A Dynamic View*. San Francisco: Jossey-Bass Publishers, USA.
- Scott, T., Mannion, R., Davies, H., & Marshall, M. (2003). The Quantitative Measurement of Organizational Culture in Health Care: A Review of the Available Instruments. *Health Services Research*, 38(3), 923-945.
- Sempene, M.E., Rieger, H.S., & Roodt, G. (2002). Job Satisfaction In Relation To Organizational Culture. *SA Journal of Industrial Psychology*, 28(2), 23-30.
- Silverthorne, C. (2004). The impact of organizational culture and person-organization fit on organizational commitment and job satisfaction in Taiwan. *Leadership & Organization Development Journal*, 25(7), 592-599. <https://doi.org/10.1108/01437730410561477>
- Spector, P.E. (1985). Measurement of human service staff satisfaction: Development of the job satisfaction survey. *American Journal of Community Psychology*, 13(6), 693-713.
- Spector, P.E. (1997). *Job satisfaction: Application, assessment, cause, and consequences*. Thousand Oaks, CA: Sage Publications, Inc.
- Tan, J.J., & Litschert, R.J. (1994). Environment-strategy relationship and its performance implications: An empirical study of the Chinese electronics industry. *Strategic Management Journal*, 15(1), 1-20. <https://doi.org/10.1002/smj.4250150102>
- Van Den Berg, P.T., & Wilderom, C.P. (2004). Defining, Measuring, and Comparing Organizational Cultures. *Applied Psychology*, 53(4), 570-582. <https://doi.org/10.1111/j.1464-0597.2004.00189.x>
- Vukonjanski, J., & Nikolić, M. (2014). Moderating effect of national origin on relationship of organizational culture and job satisfaction. *Journal of Engineering Management and Competitiveness (JEMC)*, 4(1), 3-12.
- Vukonjanski, J., Nikolić, M., Hadžić, O., Terek, E., Nedeljković, M. (2012). Relationship between GLOBE organizational culture dimensions, job satisfaction and leader-member exchange in Serbian organizations. *Journal for East European Management Studies*, 17(3), 333-368.
- Vukonjanski, J., Nikolić, M., Terek, E., Ivin, D., & Gligorović, B. (2015). The influence of LMX dimensions on certain dimensions of organizational culture in Serbian companies. *Journal of Engineering Management and Competitiveness (JEMC)*, 5(2), 61-67.
- Wang, H., Tsui, A.S., & Xin, K.R. (2011). CEO leadership behaviors, organizational performance, and employees' attitudes. *The Leadership Quarterly*, 22(1), 92-105. <https://doi.org/10.1016/j.leaqua.2010.12.009>

EFEKAT ORGANIZACIONE KULTURE NA ZADOVOLJSTVO POSLOM I FINANSIJSKE PERFORMANSE

Rad se bavi ispitivanjem efekata organizacione kulture na zadovoljstvo poslom zaposlenih i finansijske performanse organizacije. Predmet istraživanja su organizacije u Srbiji. U istraživanju je učestvovalo 220 zaposlenih. Dimenzije organizacione kulture imaju statistički značajne, snažne i pozitivne korelacije sa dimenzijama zadovoljstva poslom i ajtemima finansijskih performansi. Izuzetak je dimenzija organizacione kulture OC3 - Distanca moći, koja ima uglavnom negativne korelacije, i koje su u pojedinim slučajevima statistički značajne. Najsnažniji uticaj ostvaruju dimenzije Kolektivizam unutar grupe, Orijentacija ka performansama, Orijentacija ka ljudima i asertivnost. Dimenzije organizacione kulture imaju snažnija prediktivna dejstva na dimenzije zadovoljstva poslom, nego na ajteme finansijskih performansi. Dakle, organizaciona kultura više utiče na individualne performanse, socijalne odnose, lična osećanja i zadovoljstvo zaposlenih, dok na finansijske performanse utiču i brojni eksterni faktori, kao što su stanje u privrednoj grani, jačina i rad konkurencije, potrebe i zahtevi potrošača.

Ključne reči: Organizaciona kultura, zadovoljstvo poslom, finansijske performanse, zaposleni, Srbija.