

The Impact of Organizational Culture on Employee Job Satisfaction in Transnational Corporations: Challenges and Strategic Responses

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Abstract: Transnational corporation plays an important role in multiple aspects under globalization circumstances by not only promote the integration and development of global economy, but also increase the communication between different cultures. Organizational culture represents a company's opinion of value, and it's meaningful in increasing the employees' job satisfaction and promote company development, and a good organizational culture can improve employees' job satisfaction in the balance between institutional norms and humanistic care and individual development and collective goals. It has been found that organizational culture can influence many factors that have a close relationship with the employees' sense of belonging and expectation, which can form the employees' job satisfaction. A balanced organizational culture based on the typical environment should be built in those corporations.

1 INTRODUCTION

Transnational corporations are those companies which are based in their own country, establishing branches or subsidiaries around the world through investing in foreign countries and engaging in international production and business activities. They promote the flow of capital, technology, and productivity internationally, and influencing international economic relations. Those companies play an important role in multiple aspects under globalization circumstances by not only promoting the integration and development of the global economy but also increasing the communication between different cultures. However, while globalization brings more market and resources, more competition and issues of culture differences occur. Transnational corporations should be familiar with the different environments and potential risk in their scope to develop stably and provide attractive products. On the other hand, a harmonious multi-culture working place encourages the employees to work efficiently and create more income. This poses a requirement for the company to adapt and be tolerant of different cultures.

Organizational culture represents a company's opinion of value, and it's meaningful in increasing the employees' job satisfaction and promoting company development. A successful organizational culture can motivate the employees' enthusiasm and creativity. It

can also enhance a sense of belonging to bring satisfaction. From the early 20th century to the 1950s, employees are considered as production tools. With the emergence of research such as the Hawthorne experiment during 1930s to 1960s however, researchers found that productivity can be affected by social psychological factors, and the employee sense of belonging and informal organizations are beginning to be valued. In the 1980s, researchers found that as a shared value, belief and behavioral norm, organizational culture decides how the members think, act and solve problems in the group (Denison, 1996). Since the digital age, diversity and inclusiveness become increasingly valued, people pay more attention to cultural factors in corporations. 46% of Generation Z and 47% of Millennials globally refuse job opportunities due to culture and value mismatches. The number was only 30% in 2019, and there's also 49% young employees consider organizational culture to be one of the top three factors in their career choices (Deloitte, 2023). The purpose of this study is to find out the relationship between transnational corporations' organizational culture and job satisfaction, and how the relationship affects a company's growth. By understanding how it works, advice on efficient management and cultural construction policy could be put forward.

2 LITERATURE REVIEW

Organizational culture was defined as an information system shared inside an organization, which includes its opinion of value, belief and code of conduct (Mansaray and Mansaray, 2020). Unlike an organizational climate, which focuses on member's subjective experience and feelings of an organization's policy and program, organizational culture pays more attention to the overall spiritual outlook and value system. Therefore, qualitative methods such as interview and case study were used more often to reveal the essential characteristics. According to research of organizational culture's measurement however, the differences reflect in practice, including organizational rituals, heroes, or symbols (Robert and Rousseau, 1988). These common practices can be observed directly and reflects the point of view of the organization's founder or leader, not the other individuals'. By evaluating quantitative methods such as paying attention to individuals' reaction and the role of norms and expectations, existing research has shown how organizational culture plays its role (Kiefer et al., 2021). Expectations and code of conduct not only shape the employees' behavior but also has an influence on their sense of identification and belonging. Multiple role employees play in family and at work can cause work overload and role conflicts. So, when the employees' individual behavior matches with the organization's expectations and norms, they may experience less pressure and higher job satisfaction. It shows that organizational culture is not only a steady state of norms, but also an interactive process that can influence the employees' behavior and attitude through ways like excitement mechanism and values. As previous study has pointed out, culture is a set of shared basic assumptions learned by a group when solving external adaptation and internal integration problems (Fridan and Maamari, 2024). It's established by the founder or early leader, forming shared experiences by solving problems, and can be reflected by an organization's artifacts, espoused values and basic underlying assumptions. Organizational culture can provide identity recognition and stability to the employees and reduce anxiety by providing predictability of behavior. But some organizational cultures like those have great pressure and bureaucratism in management will help create an inactive working atmosphere and have a negative impact on performance (Judge et al., 2020). A rigid organizational culture cannot provide employees with a sense of security; therefore, employees' satisfaction will go down and pursuing risk avoidance instead of effectiveness and new ideas.

Job satisfaction usually refers to employees' emotional response or subjective attitude towards the work environment, role content interpersonal relationships and organizational policies (Sang et al., 2019). In academic research, job satisfaction is considered as an important variable that measures employees' attitude, since it originates from their comments on the job and working experience. When the job fits the employees' individual needs and interest and satisfies them in various fields like working conditions and interpersonal cooperation, the employees will show a high level of job satisfaction. Otherwise, its level will go down. Basically, the impact mechanism of job satisfaction has shifted from single factor analysis to multiple interaction research, and it influences employee behavior through the mediating effect of psychological capital, which includes factors like self-efficacy, hope and optimism (Taylor, 2024). Organizational culture influences employees' feelings of the meaning of work through shaping values and forms a cooperative effect with other factors such as leadership, excitement and so on. On the other hand, employees with high satisfaction are more likely to maintain those cultural values, while low satisfaction employees may passively resist and spread negative subcultures. When the satisfaction of most employees remains at a low level, the culture itself will gradually change, and high turnover rates can force companies to change the strategy. The relationship between employee's job satisfaction and organizational culture is partly a process of mutual influence, but cultural factors usually have stronger structural influence and play a decisive role. Currently, several of the research has confirmed the impact of organizational culture on job satisfaction. This study focusses on how organizational culture plays a role in influencing job satisfaction and further impacts the unity and efficiency of the organization.

Research shows that psychological capital like hope, effectiveness, resilience and optimism works on relieving stress and reducing turnover rate (Maharani et al., 2022). The employees who believe in a sense of control over their career and have high efficiency will have lower intention to quit. What's more, psychological capital also shows a positive effect on employees' job satisfaction and performance. Overall organizational performance can be improved by developing employees' psychological capital to dealing with stress and resignation issues. However, most research currently default culture has a unidirectional impact on satisfaction, and led by European and American samples for research, which has a lack of cross-cultural comparison.

3 CORPORATIONS

The organizational culture of transportation corporations supports their globalization strategy. It is supposed to be able to coordinate and adapt different parts of the company, whose cultural characteristics not only need to carry its motherland's traditional culture but also integrate the local characteristics of the host country.

3.1 Cultural Diversity

A multicultural team can bring many advantages to the international corporation, such as being familiar with different markets, providing service with cultural sensitivity and having longer business hours. However, these advantages can be offset by issues that come from cultural diversity. Culture conflict is a process where different organizational cultures compete or oppose each other when they meet. It includes not only the conflict of culture differences between the company and its host country, but also the one that happens in employees who have different culture background. Most of the culture conflicts originate from the culture differences of countries, corporations and individuals. Due to the differences in power distance, individualism or collectivism and long-term orientation among different countries, there are conflicts in management styles. At the corporation level, different companies have different values, behavioral norms and management styles. In the process of cooperation and integration that often occurs in multinational corporations, these differences may come out and lead to conflict. What's more, due to the differences of system and legal environment, some controversy may be caused, such as some countries accepting relational commerce, while western countries rely more on formal contracts.

Those conflicts and issues may lead to personality differences and language barriers among employees, which can cause communication barriers (Gerhart, 2008). Language and nonverbal differences lead to misunderstandings and reduce collaboration efficiency. Moreover, managers from different cultural backgrounds will find it difficult to reach a consensus, which delays the execution of strategies.

3.2 Managing Complexity

Transnational corporations often have complexity in personnel management. Culture differences which influence cross cultural teamwork is one of the most important factors that affect management. Non-native speakers may have limited expression and understanding even when using a common working language. Effective cross-cultural communication is

the key to intercultural management. Apart from communication issues, employees of different culture backgrounds can also differ in the method of decision making, leadership style, employee motivation and so on (Bourguignon et al., 2019). That requires the transnational company to have a global human resource management ability, which holds an inclusive attitude for employees to adapt to different cultural environments.

On the other hand, transnational corporations also face complexity in the whole management process. Apart from power struggles within multinational corporations (Mayer, 2010), different places will have different rules of politics and laws, and customer preference differences also need to be taken into consideration for overall balance. Companies must be familiar with those rules, such as the host country's admission of foreign investment, the structural differences between the market and developed country, or how the informal institution like family business network in the target market restrict or empower the company's strategy. There is a mutually circle between the challenges of personnel management and overall management. Political risks will increase the company's hesitation of expanding, such as the decision on expatriation, and the hesitation will cause the company to miss out on market opportunities and resources. Cultural conflicts may finally lead to team division and block the execution of strategies. Companies need to keep balance in management, ensuring unification while also having flexibility to adapt to local markets.

4 EMPLOYEE JOB SATISFACTION

As an important variable that affects job satisfaction, organizational culture can shape the employees' feelings and behavior during work. A positive organizational culture can enhance their employees' sense of belonging and meaning by creating an open and collaborative atmosphere and clarifying its value orientation. Giving support to employees' career development can also meet the needs in the growth of both individual and the organization.

4.1 Enhancing Team Identity

To reduce cultural conflicts, companies can consider providing a better working atmosphere and sense of value. Organizational culture can create a typical working environment by both explicit institutions and implicit norms. Things like configuration of facility, space layout and management system in the working place can build the objective working conditions.

Planning a workstation and a flexible attendance system can reduce the employee's physical fatigue and pressure. On the mental side, the communication mode and decision-making mechanism advocated by culture can affect the emotion of employees directly. Some management design is used to eliminate oppression and enhance an individual's sense of control over the working environment, such as a flatter management structure without too much layer or an open feedback channel. The flat management structure can shorten the time for information to pass on, and the feedback channel ensures employees' demand can be fully expressed. It's easier for employees to build a sense of security when the organizational culture pays attention to respect and tolerance, and they will be better adapting to the working environment.

Organizational culture reaches the balance between individual and collective goals through the infiltration of its core concepts, and the advertising and guidance not only stays in the text, but also in the practical part, like decision making behavior, resource allocation and the reply of crisis. Employees who highly agree with the sense of value in the team will have a significant positive correlation between their sense of work and organizational identity.

4.2 Internal Construction

The employees' expectation of individual growth can be affected by the organizational culture through resource allocation and the mechanism of opportunity supply. A comprehensive training system should cover skill enhancement, learning new knowledge and mind expansion. Whether the organization willing to invest in providing such systematic learning resources shows its will on investing in human capital. When the employee feels, the promotion is related to the enhancement of personal ability, the consistency between career goals and the development of the organization enhanced, and the job satisfaction increased. Companies can make efforts in building a clear promotion channel or diversified development way to support their employees' needs in development of both individual and the organization.

By deciding role position and interaction rules in the organization, organizational culture influences the behavior patterns of a group. Having clear boundaries of responsibilities and designing standardized cooperation processes can reduce the problems in communication and overlapping tasks and make working more effective. What's more, the establishment of cultural consensus can resolve cognitive conflicts caused by differences in values. The effectiveness of conflict management mechanisms depends on inclusiveness. Identity and

values should be fully considered during conciliation, and by enhancing mutual understanding and respect, solution accepted by each side could be found (Lok and Crawford, 2004). Companies can set up formal and informal communication platforms, such as meetings over multiple divisions and communities related to interests. Whether the appeal channel is smooth enough and the neutrality of mediation processes decides the construction of guarantee of good interpersonal relationships. Team cohesiveness can be fully turned into an important part of job satisfaction when the members feel the sense of effectiveness and belonging.

5 CHALLENGE AND COPING STRATEGIES

Based on the content above, the challenges transnational corporations faced in culture can turn into some issues in management. Individuals of different culture background have differences in language and expression, nonverbal symbols and logic. Some people try to give their opinions clear and directly, while others prefer to imply and express indirectly. This difference can meet regularly in an international corporation, and it can cause the loss or incorrect transmission of information, increase the cost of communication and reduce efficiency. On the other hand, traditional culture can shape people's behavior in work, then affect team cooperation mode. For example, people come from individualistic culture values making decisions and having goals on one's own, while those who come from collectivist culture emphasize making decisions together and shared responsibility. When these people cooperate in the same organization, there may be conflicts because of the differences of the division. The communication breakdown and differences in cooperation provide significant resistance to the operation of the organization.

Deeper cultural differences may be reflected on things like the attitude to authority and risk, or ethical judgments. Some cultures may emphasize hierarchy order and rules while others advocate for innovation and an equal environment of communication. If members of the company don't have enough sensitivity and attention to those differences and they are not properly addressed, conflicts within the organization will occur.

However, corresponding strategies can be made for international corporations to face those challenges. The management architecture can be designed to fit in the adaptation of organizational culture and leadership strategy. According to existing research, when bureaucratic culture is combined with

transformational leadership, or innovative culture meets a service-oriented leadership, employee organizational commitment and job satisfaction will be increased. The style of leadership needs to be adapted to the characteristics of organizational culture to maximize the company's effectiveness (Kazan, 1997). When conflict occurs, the different types of management models are also adapted to the certain culture. In the adversarial model, conflict is treated as a process that needs to be solved by competition, which reflects the characteristic of individualism. Some organizations will solve the conflict in a more harmonious way by avoidance and tolerance, which may be based on a collectivism culture background. The regulatory may be more common in cultures that emphasize rules and order, using bureaucratic methods to ensure the conflict resolution conforms to established norms (Schein, 2010). Leaders of those transnational organizations are demanded to have a sensitivity of culture to adjust the atmosphere and establish a localized strategy. The construction of organizational culture in transnational corporations can start from two aspects: establishing an adaptive organizational structure and developing personal cultural accomplishment. Managers can identify key contradictions in the corporation by measuring cultural characteristics and satisfaction through surveys to adjust the strategies.

6 CONCLUSION

Job satisfaction is the result of multiple factors, which require organizations to meet the employees' needs through institutional design, as well as the flexible leadership and cultural shaping abilities of the manager. As an important factor that affects job satisfaction, organizational culture can influence the work atmosphere, career development opportunities, interpersonal relationships and the sense of value inside the company directly. Since those factors have a close relationship with the employees' sense of belonging and expectation, they play a significant role in influencing job satisfaction. In the working environment of transnational corporations, where they have the characteristic of multiple culture background and complex management, organizational culture also plays a coordinating role by deciding the style of leadership and ways to resolve conflicts. To increase job satisfaction and develop cultural strategies that are more conducive to management and working efficiency, managers of transnational corporations should build an inclusive working atmosphere and shape the value based on analyzing both local and the host country's culture. Good organizational culture can improve employees'

job satisfaction in the balance between institutional norms and humanistic care and individual development and collective goals. The diversity on culture and complexity in management make transnational corporations a special place to integrate management factors. Thus, the organizational culture of those transnational corporations should be designed to balance the differences and conflicts and root on the company's typical working environment.

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