THE ASSOCIATION BETWEEN CORPORATE CULTURE AND EMPLOYEE OUTCOMES:
EXAMINING THE MEDIATING EFFECT OF PERSON-ENVIRONMENT FIT

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The Association between Corporate Culture and Employee Outcomes: Examining the Mediating Effect of Person-Environment Fit

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DEDICATION

I dedicate this thesis to my father, who has taught me that when you can achieve wonders when you put your heart into it, showed me the joy of the learning pursuit without whom I would not have pursued MBA and for all the love and prayers showered upon me. I also take this opportunity to dedicate to my mother who have lifted my spirits up when I thought this thesis is never-ending and at times I doubt it can ever been completed. Their continuous support has taken the load off my shoulders.

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ABSTRACT

**Purpose** - Research has suggested that understanding corporate culture as a management philosophy is essential to managing an organization in improving its overall performance. This study examines the association between corporate culture and employee outcomes. Specifically, this study examines four dimensions of corporate culture, namely teamwork, communication, rewards and recognition and training and development on employees' outcomes explicitly job satisfaction, organizational commitment and turnover intention. The influence of person-environment fit dimension as a mediating variable was further explored.

**Design/methodology/approach** – Data were gathered from two hundred and four employees from various Malaysian organizations. Data were analyzed using descriptive statistics, factor analysis, reliability analysis, Pearson correlation and hypotheses testing using hierarchical multiple regression.

**Findings** - The results from a survey 204 employees show that corporate culture are important determinants in motivating the employees to be attached to their organization. The findings implicate that an organization needs to be aware of the importance of these dimensions in providing a favorable working environment to its employees to ensure for organizational success. Thus this study proves that dimensions of corporate culture; training and development, teamwork,
communication and rewards and recognition correlates positively with job satisfaction and organizational commitment whereas it correlates negatively with turnover intention. It also indicated that the relationship between corporate culture and employee outcomes was mediated by person-environment fit.

**Originality/value** - This study contributes to the existing knowledge on the relationship between corporate culture, person-environment fit and employee outcomes. Dimensions of these variables were investigated to provide more comprehensive understanding as the area of research is almost unexplored in the Malaysian context.

**Keywords** – Corporate Culture, Person-Environment Fit, Organizational Commitment, Job Satisfaction, Turnover Intention

**Category** – Research Paper
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LIST OF SYMBOLS AND ABBREVIATIONS

HR  Human Resource
HRM  Human Resource Management
KMO  Kaiser-Meyer-Olkin (SPSS Measures of Sampling Adequacy)
β  Indicate the individual contribution of each predictor to the regression model.
SD  Standard Deviation
p  The p value tells if the analysis is significant or not (level of significance)
OC  Organizational Commitment
TI  Turnover Intention
JS  Job satisfaction
P-E Fit  Person-Environment Fit
P-J Fit  Person-Job Fit
P-G Fit  Person-Group Fit
P-O Fit  Person-Organization Fit
Et. al.  And others
MBA  Master in Business Administration
OCQ  Organizational Commitment Questionnaire
SPSS  Statistical Package for the Social Sciences
KSA  Knowledge, Skills and Abilities
ACS  Affective Commitment Scale
M  Mean
r  The r-value indicates strength and direction (±) of the correlation
SD  Standard Deviation
SPSS  Statistical Package for the Social Sciences
TI  Turnover Intention