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Building Better Workplace: Identifying the Key Factors Influencing the Workplace Culture

Ms. Helly Patel[1], Ms. Bhavna Patel[2]

[1]**Student, B. V. Patel institute of Management, Uka Tarsadia University, Surat**
[2]**Assistant Professor, B. V. Patel institute of Management, Uka Tarsadia University, Surat**

ABSTRACT

Workplace culture is a fundamental aspect of organisational success, influencing employee engagement, productivity, and overall job satisfaction. This study explores the critical role of work culture in shaping employee performance, organisational efficiency, and overall business success. Work culture, defined by shared values, communication patterns, leadership styles, and employee engagement, significantly influences job satisfaction, motivation, and productivity. The study aims at identifying the key factors influencing the workplace culture of the organisation. By employing a quantitative research approach, data were collected from a diverse group of employees across multiple departments of the organisation using a structured questionnaire covering various aspects of work culture to identify key factors influencing the culture of the organisation. Where the literature review provided various factors that affect workplace culture, the exploratory factor analysis identified seven key factors prominently influencing the workplace culture of the organisation under study.

Keywords: Workplace culture, Factors influencing, Leadership, Environment, Satisfaction

Introduction

Workplace culture has emerged as a strategic determinant of organisational performance, influencing employee engagement, job satisfaction, and overall productivity. In modern organisations, particularly within high-performance environments, understanding the core factors shaping workplace culture is essential. This study focuses on identifying the key factors that influence the organisational culture of the organisation using exploratory factor analysis to extract meaningful patterns from employee perceptions.

By analysing 47 workplace-related variables through a robust statistical framework, seven major factors were identified—ranging from leadership effectiveness and communication to employee well-being and growth opportunities. These insights provide a data-driven foundation for understanding how internal cultural dynamics affect organisational outcomes and offer actionable pathways for cultural enhancement.

The results of the exploratory factor analysis revealed seven major factors contributing to the organisation's cultural framework: workplace relationships, workplace engagement, physical work environment, growth and development, effective leadership and communication, safety and well-being, employee support, and workplace integrity. These factors provide a comprehensive understanding of the organisation's internal climate and offer a foundation for strategic interventions aimed at improving employee satisfaction and organisational effectiveness. By focusing on these dimensions, organisations can make informed decisions to cultivate a more inclusive, engaging, and performance-driven culture.

Objective

The primary objective of the study is to identify the key factors influencing the workplace culture of the organisation from among the list of factors extracted from extensive literature review. The study further aimed at recommending practical measures to improve the existing work culture, helping create a more positive, supportive, and productive workplace for the employees.

Literature reviews

Jai B.P. Singh (1990), in his study on work culture, examined the prevailing work culture, identified the factors that contributed to it, and assessed employees comfort level with the culture. The research methodology employed in the study was a questionnaire and interviews. The researcher concluded that the respondents were of the view that the organization took good care of the welfare measures. There was significant collaboration between the group goals and the individual goals within the organization.

Singh (1990) explored the relationship between workplace culture and employee collaboration, highlighting its role in aligning individual and organisational goals.

Gandhi (2023) assessed how workplace culture impacts employee morale and productivity, emphasising that a negative culture increases stress and inefficiency.

Vaishnavi (2020) examined workplace culture's influence on job satisfaction, productivity, and retention, emphasising its crucial role in employee engagement.

Parashar & Chauhan (2018) explored the role of leadership, communication, and employee engagement in creating a positive workplace culture.

Singh & Krishnan (2008) analysed how combining hierarchical structures with participative management enhances job satisfaction in manufacturing firms.

Sinha & Sheorey (2015) explored how multinational companies in India integrate global business practices with Indian cultural values for better engagement.

Chatman & Cha (2003) explored the link between leadership effectiveness and alignment with organisational culture and values.

Meyer & Allen (1991) emphasised that emotional attachment to an organisation fosters stronger employee commitment and job satisfaction.

Sharma & Vohra (2018) examined the impact of psychological safety on creativity and teamwork, highlighting the role of trust and open communication.

Saini & Gupta (2020) assessed how ethical workplace cultures promote transparency, trust, and a positive reputation.

Trompenaars & Hampden-Turner (1997) explored the influence of cultural diversity on workplace behaviour, emphasizing the need for cross-cultural understanding.

Edwards & Cable (2009) emphasized the importance of value congruence in improving employee satisfaction, performance, and retention.

The following major factors affecting workplace culture could be identified from the literatures reviewed:

1.   Communication

2.   Leadership

3.   Rewards & Recognition

4.   Fairness & Inclusion

5.   Performance Evaluation and Feedback

6.   Work-life-balance

7.   Shared Values

8.   Ethics & Morals

9.   Policies & Procedures

10. Flexibility & Autonomy

11. Wellbeing and Psychological Safety

12. Collaboration & Teamwork

13. Informal work relationships

14. Employee Engagement

15. Development & Growth

16. Global perspectives & diversity

Research methodology

This study adopts an exploratory and descriptive research design to analyze workplace culture and its impact on employee engagement, satisfaction, and overall organisational performance. This research study examines the views of 76 workers from different departments of the organisation working at different levels. The research relies on both primary and secondary data collection methods to ensure a comprehensive understanding of workplace dynamics. Various literatures reviewed helped the researcher determine number of factors studied in the past, which were further used to draft the questionnaire. Primary data was gathered through a structured questionnaire distributed among employees, focusing on various aspects such as leadership

effectiveness, communication transparency, work-life balance, and employee recognition. The questionnaire employed a five-point Likert-scale format to quantify employee perceptions and assess the overall work environment.

The demographic characteristics of the respondents revealed that more than 60% of the employees fall into middle age i.e., from 26 years to 45 years of age, 84% of the respondents are males, more than 60% of the respondents have completed their SSC, ITI or Diploma and around 30% are graduates. More than 60% of the respondents belonged to production department owing to the manufacturing unit taken under study, however, remaining 40% includes representation from other departments like IT, Finance and HR. More than 66% of the respondents have been associated with the organization for the past 5 years, around 20% have been working for more than 5 years and around 15% for more than 10 years. 75% of the workers work in morning shift and 25% work in the night shift.

Data analysis and interpretation

To conduct further data analysis and fulfil the research objective of identifying factors influencing the workplace culture of the organisation, an exploratory factor analysis was performed using SPSS. Before moving to factor analysis, a reliability test was conducted using Cronbach's Alpha Model. The test shows the internal consistency of the data collection tool that the respondents are able to give consistent responses to the given items.

Reliability test		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.940	.940	47

(Reliability test-Cronbach's alpha)

The reliability test using Cronbach's alpha yielded a value of 0.940, indicating excellent internal consistency of the 47 items.

KMO and Bartlett's Test		
Kaiser- Mayer- Olkin Measures of Sampling Adequacy		.650
Bartlett's Test of Sphericity	Approx. Chi-square	2421.120
	Df	1081
	Sig.	.000

The KMO value of 0.650 indicates moderate sampling adequacy, suggesting the data is acceptable for factor analysis. Bartlett's Test of Sphericity ($\chi^2 = 2421.120$, $p < 0.05$) confirms that factor analysis is appropriate.

The Bartlett's Test of Sphericity shows a chi-square value of 2421.120 with 1081 degrees of freedom and a significance (p-value) of 0.000. Since the p-value is less than 0.05, the test confirms that the correlation matrix is not an identity matrix, meaning there are significant relationships among the variables. This supports the suitability of factor analysis for the dataset, as the variables are sufficiently correlated to extract meaningful factors.

From the list of extracted communalities, the communality values greater than 0.5 were considered for further analysis, and statements having communalities less than 0.5 were removed.

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.886	27.417	27.417	12.886	27.417	27.417	5.175	11.012	11.012
2	3.311	7.045	34.462	3.311	7.045	34.462	4.075	8.670	19.682
3	2.679	5.700	40.161	2.679	5.700	40.161	4.034	8.582	28.264

4	2.429	5.167	45.329	2.429	5.167	45.329	3.984	8.477	36.741
5	2.378	5.061	50.389	2.378	5.061	50.389	3.446	7.332	44.073
6	1.963	4.177	54.566	1.963	4.177	54.566	3.327	7.080	51.153
7	1.711	3.641	58.207	1.711	3.641	58.207	3.316	7.054	58.207
8	1.498	3.187	61.395						
9	1.425	3.033	64.427						
10	1.358	2.888	67.316						
11	1.232	2.621	69.936						
12	1.149	2.444	72.381						
13	1.067	2.270	74.651						

The total variance explained table provides insights into how much variance in the dataset is explained by different components (factors) extracted from factor analysis. The eigenvalues represent the amount of variance explained by the factor. The first factor has eigenvalue of 12.886 and explains 27.417% of the variance, followed by the second factor with an eigenvalue of 3.311 (7.045% variance), the third with 2.679 (5.70% variance), the fourth with 2.429 (5.167% variance), the fifth with 2.378 (5.061% variance), the sixth with 1.963 (4.177% variance), and the seventh factor with an eigenvalue of 1.711 (3.641% variance). The first seven components together explain 58.207% of the total variance, which means that these seven factors capture more than half of the information in the dataset. Components with eigenvalues greater than 1 are typically considered for factor retention, following Kaiser's criterion.

The "Rotation sums of squared loading" column presents the variance explained after rotation, which redistributes variance more evenly across components and explains 11.01% of the variance instead of 27.42%, while the rest of the components also contribute meaningfully, leading to a more balanced factor structure. Since the first few components explain a significant portion of variance, they are the most crucial for understanding the dataset. Based on these results, around 7 factors appear to be relevant for further analysis, as they collectively explain a reasonable amount of variance in the data.

Rotated Component Matrix

Statements	Component						
	1	2	3	4	5	6	7
I recommend this company as a good place to work	.822						
I feel connected to my work and workplace	.800						
I feel recognized and appreciated for my hard work and contributions	.713						
Organization encourages knowledge-sharing and collaboration among department or teams	.710						
I feel a sense of belonging with my workplace.	.681						
Organization provides adequate opportunities for social interaction and team-building activities.	.653						
People from different cultures and background are respected and valued.	.607						
There is fairness and transparency in the matter of compensation and benefits of employees	.529						
My work load is manageable and does not cause undue stress		.806					

The organization takes initiatives to ensure the mental well-being of the employees		.667				
My work place environment is organized and conducive		.584				
The tools and equipment provided are in good working condition		.526				
My organization makes conscious efforts to promote diversity and inclusion		.520				
Organization fosters a culture respect and integrity			.710			
The organization provides for sufficient safety measures			.595			
I feel heard and valued in my organization			.564			
My supervisor/superior provides feedback for improving my work performance			.531			
My organization keeps up with the latest technological tools and advances				.640		
The tools and resources I need to do my job are readily available				.620		
I get fair and equal opportunity for growth				.611		
My work schedule is fair allows me time for personal responsibilities				.534		
The grievance reprisal mechanism is effective is easy to access				.530		
The organization encourages and provides sufficient opportunities for giving feedback				.511		
The organization takes initiatives to ensure employee's physical health and safety					.647	
The organization promotes safe and harassment free environment					.643	
Leaders are transparent in their communication					.584	
My opinions and suggestions are valued by my supervisor/superior					.535	
The organization support employees in times of personal or family emergencies					.521	
The organization offers opportunities for professional growth and career development						.691

The organization provides opportunity for skills development and training						.643	
My work place provides with the me sense of stability and security						.579	
Conflict and interpersonal issue are addressed and resolved effectively							.755
Mysupervisor/superior is approachable and open to feedback in work-related issues							.600
The organization provide sufficient breaks and rest period to the employees							.599
My supervisor/superior gives clear instructions and guidance for my tasks							.573

The Rotated Component Matrix shows for 47 items surveyed got minimised to 35 factors having loadings of more than 0.5. These 35 factors are minimised into 7 components, which cover every factor. The seven major factors extracted from EFA are titled below:

1) **Work relationships, Inclusion & Fairness**

2) **Workplace engagement and organizational support**

3) **Physical work environment**

4) **Job Security, Growth & Development**

5) **Effective leadership & Communication**

6) **Safety & Well-being**

7) **Employee support & workplace integrity**

For each factor extracted under EFA, the Friedman Test was performed to find out the variables that significantly affected the workplace culture. As visible in the first factor extracted i.e. workplace relationships, inclusion & fairness, the most influential factors are opportunities for social interactions and team-building activities, connection to work & workplace, and recognition and appreciation for hard work.

For the second factor extracted, i.e. workplace engagement & organisational support, the most influential factors are initiatives for mental well-being & manageable workload. For the third factor extracted, i.e., physical work environment, the most influencing factors are sufficient opportunities for feedback, keeping up with the latest tools and advancements, and easy accessibility to the resources required.

For the fourth factor extracted, i.e., job security, growth & development, the most influential factor is the opportunity for skill development & training. For the fifth factor extracted, i.e., effective leadership & communication, the most influential factors are an approachable superior/supervisor who is open to feedback & appropriate provisions for breaks & rest. For the sixth factor extracted, i.e., safety & wellbeing, the most influencing factors are superior's feedback for work improvement & sufficient safety measures. For the seventh factor extracted, i.e., employee support & workplace integrity, the most influential factors are transparent communication & a safe and harassment-free work environment.

Conclusion:

The factor analysis conducted in this study provides a thorough examination of the key dimensions influencing work culture and employee satisfaction within the company located in Ankleshwar GIDC. The analysis successfully identified several critical factors—such as leadership effectiveness, communication practices, organisational support, work-life balance, and employee empowerment—that play a vital role in shaping the organisational environment and directly impact employee satisfaction and overall performance.

The results demonstrate a high degree of internal consistency and reliability in the factor structure, validating the identified dimensions as essential components of work culture. The factor loadings and eigenvalues further confirm that these factors not only have strong intercorrelations but also independently contribute to the enhancement of employee satisfaction and organisational effectiveness. The dynamic interrelationships between the factors suggest that improvements in one area—such as enhancing leadership practices or fostering open communication—can create a positive ripple effect across other dimensions, ultimately boosting overall satisfaction.

This study contributes to the broader body of research on organisational behaviour and employee satisfaction, offering a refined model of work culture specific to the industrial context. The robustness of the factor analysis provides a solid foundation for further research, encouraging replication in different

organisational contexts or industries. Future research could also examine how external factors, such as economic conditions or technological change, interact with internal cultural elements to influence employee satisfaction and organisational outcomes.

Also, this research successfully meets its objectives by identifying the key factors that shape work culture and examining their impact on employee satisfaction. The factor analysis revealed critical dimensions such as leadership, communication, organizational support, and work-life balance, all of which significantly influence both the work environment and employee satisfaction. The study highlights how improvements in these areas can lead to a more positive work culture, directly enhancing employee satisfaction and overall organizational performance.

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