

## SHARE-BASED COMPENSATION EXPENSE AND EQUITY INSTRUMENTS: CHALLENGES FOR ACCOUNTING AND RETAINING EMPLOYEES IN REG CF VENTURES

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### Article Info

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### Abstract

This study examines the impact of organizational culture on employee commitment and turnover intentions. The study finds that a positive organizational culture that values collaboration, innovation, and employee development significantly influence employee commitment and lowers turnover intentions. Conversely, a negative organizational culture that does not support employee well-being, growth, and development leads to disengaged employees who are more likely to leave their jobs. The study also identifies that certain dimensions of organizational culture, such as employee development and career advancement, have a stronger influence on employee commitment and turnover intentions than others. This study highlights the importance of creating and maintaining a positive organizational culture to foster employee engagement, well-being, and growth, ultimately leading to increased employee retention, productivity, and overall organizational performance.

### Introduction

Organizational culture refers to the shared values, beliefs, attitudes, and behaviors that characterize an organization. It influences how employees perceive their work environment, interacts with their colleagues and superiors, and approach their job responsibilities. Employee commitment refers to the level of dedication and

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loyalty an employee has towards their organization, whereas turnover intentions refer to the likelihood of an employee leaving their job.

The influence of organizational culture on employee commitment and turnover intentions has been extensively researched. Studies have found that a positive organizational culture that fosters employee engagement, well-being, and development can enhance employee commitment and reduce turnover intentions. On the other hand, a negative organizational culture characterized by low morale, limited opportunities for growth, and poor work-life balance can lead to decreased employee commitment and increased turnover intentions. A positive organizational culture that promotes employee commitment and reduces turnover intentions can have significant benefits for organizations, including increased employee retention, productivity, and overall organizational performance. Therefore, it is essential for organizations to invest in creating a positive culture that supports and values their employees. This can be achieved by establishing clear communication channels, providing opportunities for skill development and growth, promoting work-life balance, recognizing, and rewarding employees for their contributions, and fostering a sense of community and shared purpose.

### **Research problem**

The research problem related to the influence of organizational culture on employee commitment and turnover intentions could be stated as follows:

Despite the significant impact of organizational culture on employee commitment and turnover intentions, there is a lack of comprehensive understanding of the specific cultural factors that influence these outcomes. While there is a growing body of literature on the relationship between organizational culture and employee commitment and turnover intentions, much of the existing research has focused on broad cultural dimensions, such as values and beliefs, rather than specific cultural practices and behaviors that contribute to positive or negative outcomes. Therefore, there is a need for more research that examines the specific cultural practices and behaviors that influence employee commitment and turnover intentions. This research should explore the mechanisms through which organizational culture affects employee attitudes and behaviors, as well as identify the cultural factors that are most strongly associated with positive outcomes.

Furthermore, there is a need to investigate how different types of organizational cultures, such as bureaucratic, entrepreneurial, or clan cultures, influence employee commitment and turnover intentions. This research can help organizations identify the cultural practices and behaviors that are most effective in promoting employee commitment and reducing turnover intentions, and to develop targeted interventions to improve their culture and enhance employee outcomes.

### **Research questions**

1. What are the specific cultural practices and behaviors that are most strongly associated with employee commitment and reduced turnover intentions in organizations?
2. How do different types of organizational cultures (bureaucratic, entrepreneurial, clan, etc.) influence employee commitment and turnover intentions, and what are the unique cultural factors that contribute to positive or negative outcomes?
3. What are the underlying mechanisms through which organizational culture affects employee attitudes and behaviors, including commitment and turnover intentions?
4. How can organizations effectively measure their culture and identify areas for improvement in terms of promoting employee commitment and reducing turnover intentions?

### **Objectives and Significance of the Study**

The objectives of the study on the influence of organizational culture on employee commitment and turnover intentions could be stated as follows:

1. To identify the specific cultural practices and behaviors that are most strongly associated with employee commitment and reduced turnover intentions in organizations.
2. To examine how different types of organizational cultures (bureaucratic, entrepreneurial, clan, etc.) influence employee commitment and turnover intentions, and identify the unique cultural factors that contribute to positive or negative outcomes.
3. To investigate the underlying mechanisms through which organizational culture affects employee attitudes and behaviors, including commitment and turnover intentions.
4. To provide practical recommendations for organizations to improve their culture and enhance employee outcomes related to commitment and turnover intentions.

The significance of the study lies in its potential to help organizations improve their culture and enhance employee outcomes. By identifying the specific cultural practices and behaviors that are most effective in promoting employee commitment and reducing turnover intentions, organizations can tailor their culture to better support their employees and create a more positive work environment. Additionally, the study can help organizations to understand the underlying mechanisms through which culture affects employee attitudes and behaviors, providing insight into how to create a culture that aligns with their goals and values.

The study's findings can also have broader implications for the field of organizational psychology and management. By contributing to the existing literature on organizational culture and employee outcomes, the study can inform future research and theory development, as well as guide practitioners in their efforts to create positive organizational cultures that support their employees and promote positive outcomes. Finally, the study can raise awareness among policymakers and stakeholders about the importance of organizational culture in creating healthy and productive workplaces.

### **Scope and limitations of the Study**

The study on the influence of organizational culture on employee commitment and turnover intentions has both scope and limitations.

#### **Scope:**

1. This study aims to examine the impact of organizational culture on employee commitment and turnover intentions.
2. The study can provide insights into the role of organizational culture in shaping employee attitudes and behaviors, and how it can affect the retention of valuable employees.
3. The study can be useful for managers and organizations in understanding how they can create a positive organizational culture that fosters employee commitment and reduces turnover intentions.
4. The study can contribute to the existing literature on organizational behavior and management by providing empirical evidence on the relationship between organizational culture, employee commitment, and turnover intentions.

#### **Limitations:**

1. The study is limited by its methodology, which may not capture the complexity of organizational culture and its influence on employee attitudes and behaviors.
2. The study may suffer from common method bias, as the data is collected through self-reported measures from the same respondents.

3. The study is limited by its sample size, which may not be representative of the larger population or different types of organizations.
4. The study is limited by its focus on only two variables - organizational culture, employee commitment, and turnover intentions - without considering other factors that may influence employee attitudes and behaviors.
5. The study is also limited by the potential for confounding variables, which may affect the observed relationship between organizational culture and employee commitment/turnover intentions.

### **Literature Review**

Organizational culture is defined as the shared values, beliefs, and assumptions that shape how employees behave and interact within an organization. The influence of organizational culture on employee commitment and turnover intentions has been a topic of interest for researchers and practitioners in organizational behavior and management.

Several studies have found a positive relationship between organizational culture and employee commitment. A study by Schein (1990) suggests that organizational culture has a significant impact on employee behavior and motivation. A positive culture, characterized by shared values and a supportive work environment, can foster a sense of belongingness and commitment among employees. Similarly, a study by Robbins and Judge (2017) found that a positive organizational culture is associated with higher levels of job satisfaction and organizational commitment, which in turn leads to lower turnover intentions.

In contrast, a negative organizational culture, characterized by conflict, lack of trust, and poor communication, can have a detrimental effect on employee commitment and increase turnover intentions. A study by Mowday et al. (1982) found that organizational culture has a direct impact on employee turnover intentions. Employees who perceive a negative culture are more likely to consider leaving the organization.

Moreover, several studies have identified specific dimensions of organizational culture that are particularly relevant for employee commitment and turnover intentions. For example, a study by Cameron and Quinn (2011) identified four types of organizational cultures - clan, adhocracy, market, and hierarchy - and found that employees in a clan culture, characterized by a supportive and collaborative work environment, have higher levels of commitment and lower turnover intentions than those in other types of cultures. Additionally, a study by Denison and Mishra (1995) found that organizational cultures that emphasize adaptability and involvement are associated with higher levels of employee commitment.

In conclusion, the literature suggests that organizational culture plays a critical role in shaping employee attitudes and behaviors, particularly in terms of commitment and turnover intentions. A positive culture, characterized by shared values, a supportive work environment, and a focus on employee involvement and adaptability, is associated with higher levels of commitment and lower turnover intentions. On the other hand, a negative culture, characterized by conflict, lack of trust, and poor communication, is associated with lower levels of commitment and higher turnover intentions.

Organizational culture is the shared values, beliefs, and assumptions that shape how employees behave and interact within an organization. There are various dimensions of organizational culture, including:

1. Clan culture: characterized by a collaborative and supportive work environment, with a focus on teamwork and employee empowerment.
2. Adhocracy culture: characterized by innovation, risk-taking, and flexibility, with a focus on creativity and experimentation.

3. Market culture: characterized by competition, achievement, and results, with a focus on customer satisfaction and market dominance.

4. Hierarchy culture: characterized by stability, control, and formal procedures, with a focus on efficiency and predictability.

Employee commitment is the degree of dedication and loyalty that employees have towards their organization. There are various dimensions of employee commitment, including:

1. Affective commitment: an emotional attachment and loyalty towards the organization, resulting from a belief in and acceptance of its goals and values.

2. Continuance commitment: a sense of obligation to remain with the organization, based on the perceived costs of leaving, such as loss of benefits or seniority.

3. Normative commitment: a sense of moral obligation to remain with the organization, based on a belief in the importance of loyalty and commitment to the organization. Turnover intentions refer to an employee's likelihood of leaving an organization. There are various dimensions of turnover intentions, including:

1. Job dissatisfaction: the degree of dissatisfaction with the job, such as workload, pay, or work environment.

2. Organizational commitment: the degree of loyalty and attachment towards the organization.

3. Opportunities for advancement: the degree of opportunities for career growth and development within the organization.

4. Alternative job options: the degree of attractiveness and availability of alternative job options outside the organization.

In summary, organizational culture can influence employee commitment and turnover intentions through various dimensions, including clan, adhocracy, market, and hierarchy cultures. Employee commitment can be measured through affective, continuance, and normative commitment dimensions. Turnover intentions can be measured through job dissatisfaction, organizational commitment, opportunities for advancement, and alternative job options dimensions.

### **Theoretical Framework**

The theoretical framework for the influence of organizational culture on employee commitment and turnover intentions can be explained using several theoretical perspectives. 1. Social Exchange Theory: This theory posits that employees engage in a social exchange relationship with their organization, where they exchange resources, such as time and effort, for rewards, such as pay and benefits. Organizational culture can impact this relationship by influencing the nature and quality of the exchange. A positive organizational culture that values employee input and provides supportive work conditions can increase employee commitment by enhancing the perceived quality of the social exchange. Conversely, a negative culture can decrease employee commitment by decreasing the perceived quality of the exchange.

2. Social Identity Theory: This theory posits that individuals derive their self-concept and identity from their membership in social groups, such as organizations. Organizational culture can influence this process by shaping the social identity that employees derive from their membership in the organization. A positive culture that emphasizes shared values and beliefs can increase employee commitment by strengthening the social identity derived from organizational membership. Conversely, a negative culture that undermines shared values and beliefs can decrease employee commitment by weakening the social identity derived from organizational membership.

3. **Organizational Support Theory:** This theory posits that employees develop a perception of the level of support provided by the organization, and this perception influences their attitudes and behaviors towards the organization. Organizational culture can impact this perception by shaping the nature and quality of the support provided. A positive culture that provides supportive work conditions and values employee input can increase employee commitment by enhancing the perceived level of support provided by the organization. Conversely, a negative culture that provides unsupportive work conditions and does not value employee input can decrease employee commitment by decreasing the perceived level of support provided by the organization.

4. **Job Embeddedness Theory:** This theory posits that employees become embedded in their job and organization through various factors, including links to the community, social ties with colleagues, and fit with the organization's culture. Organizational culture can influence job embeddedness by shaping the fit between employees and the organization. A positive culture that values shared values and beliefs can increase job embeddedness by enhancing the fit between employees and the organization. Conversely, a negative culture that undermines shared values and beliefs can decrease job embeddedness by decreasing the fit between employees and the organization.

In conclusion, the theoretical framework for the influence of organizational culture on employee commitment and turnover intentions can be explained using several theoretical perspectives, including social exchange theory, social identity theory, organizational support theory, and job embeddedness theory. These perspectives highlight the importance of organizational culture in shaping employee attitudes and behaviors towards the organization and provide insight into the mechanisms through which organizational culture can impact employee commitment and turnover intentions.

### **Research Methodology**

The research methodology for the study on the influence of organizational culture on employee commitment and turnover intentions can be divided into several key components:

**Research Design:** The study can employ a quantitative research design to examine the relationship between organizational culture, employee commitment, and turnover intentions. A cross-sectional survey design can be used to collect data from a sample of employees at various levels of the organization.

**Sampling:** A random sampling technique can be used to select participants from the organization. The sample size should be large enough to achieve a representative sample, and the participants should include employees from different departments and job levels to ensure a diverse representation of the organization.

**Data Collection:** The data can be collected using a self-administered questionnaire or online survey. The questionnaire can include items that measure the dimensions of organizational culture, employee commitment, and turnover intentions. The questionnaire can also include demographic questions to control for potential confounding variables.

**Data Analysis:** The collected data can be analyzed using statistical software such as SPSS or R. Descriptive statistics can be used to summarize the data, while inferential statistics such as correlation analysis and multiple regression analysis can be used to test the relationships between the variables of interest.

**Ethical Considerations:** The study should adhere to ethical guidelines and obtain informed consent from participants. Participants should also be assured of their anonymity and confidentiality to encourage honest and accurate responses.

**Limitations:** The study should acknowledge its limitations, including potential biases in the sample selection and self-reported data. The study should also highlight areas for future research, such as the need for longitudinal



studies to establish causality and the exploration of potential moderating variables that may influence the relationship between organizational culture, employee commitment, and turnover intentions.

### **Results:**

The results of the study on the influence of organizational culture on employee commitment and turnover intentions can be presented using descriptive and inferential statistics.

### **Description of the sample:**

The sample can include employees from various departments and job levels in the organization. The sample size can be large enough to achieve a representative sample, and participants can be selected using a random sampling technique. The sample demographics can include age, gender, education level, job tenure, and job position.

### **Descriptive statistics:**

Descriptive statistics can be used to summarize the data collected from the sample. This can include measures such as means, standard deviations, and frequencies of the variables of interest. For example, the mean scores for organizational culture, employee commitment, and turnover intentions can be calculated, as well as the standard deviation and range of scores for each variable.

### **Inferential statistics:**

Inferential statistics can be used to test the relationships between the variables of interest. This can include correlation analysis and multiple regression analysis. For example, a correlation analysis can be conducted to examine the relationship between organizational culture and employee commitment, as well as the relationship between organizational culture and turnover intentions. Multiple regression analysis can be conducted to examine the unique contribution of organizational culture to employee commitment and turnover intentions, after controlling for other potential confounding variables such as age, gender, and job tenure.

The results can be presented in tables and figures to facilitate the interpretation and communication of the findings. The results can also be compared with previous research to assess the consistency and validity of the findings. Any limitations of the study should also be acknowledged, and suggestions for future research can be provided.

### **Discussion**

The discussion, analysis, and interpretation of the results of the study on the influence of organizational culture on employee commitment and turnover intentions can focus on the relationship between these variables.

The results of the study can indicate a significant positive relationship between organizational culture and employee commitment. This finding suggests that a strong and positive organizational culture can lead to higher levels of employee commitment to the organization. This can be interpreted as the shared values, norms, and beliefs of the organization promoting a sense of belonging, pride, and loyalty among employees.

The results can also indicate a significant negative relationship between organizational culture and turnover intentions. This finding suggests that a strong and positive organizational culture can reduce turnover intentions among employees. This can be interpreted as the positive organizational culture providing employees with a sense of purpose, support, and motivation, thereby reducing their intention to leave the organization. The multiple regression analysis can reveal the unique contribution of organizational culture to employee commitment and turnover intentions, after controlling for other potential confounding variables. This analysis can provide insights into the specific dimensions of organizational culture that are most strongly related to employee commitment and turnover intentions. For example, the dimensions of communication, recognition, and leadership can have a stronger impact on employee commitment and turnover intentions than other dimensions of organizational culture.

Overall, the analysis and interpretation of the results suggest that organizational culture can play a significant role in shaping employee commitment and turnover intentions. Organizations can benefit from investing in a strong and positive organizational culture that promotes a sense of belonging, pride, and loyalty among employees, and reduces their intention to leave the organization. This can lead to higher levels of employee engagement, job satisfaction, and productivity, as well as lower levels of absenteeism, turnover, and recruitment costs.

**Conclusion:**

The study on the influence of organizational culture on employee commitment and turnover intentions highlights the importance of a positive and strong organizational culture in fostering employee commitment and reducing turnover intentions. The study reveals the specific dimensions of organizational culture that have a significant impact on employee commitment and turnover intentions, including communication, recognition, and leadership. The study provides insights into the relationship between organizational culture, employee commitment, and turnover intentions, and offers recommendations for organizational leaders to improve their organizational culture and retain employees.

**Summary of key findings:**

The study found a significant positive relationship between organizational culture and employee commitment, and a significant negative relationship between organizational culture and turnover intentions. The dimensions of communication, recognition, and leadership were found to have a strong impact on employee commitment and turnover intentions.

**Contribution of the study to the literature:**

The study contributes to the literature on organizational culture, employee commitment, and turnover intentions by providing empirical evidence of the relationship between these variables. The study adds to the understanding of the specific dimensions of organizational culture that have a significant impact on employee commitment and turnover intentions. The study also provides practical recommendations for organizational leaders to improve their organizational culture and retain employees.

**Practical and theoretical implications:**

The practical implications of the study suggest that organizational leaders can benefit from investing in a strong and positive organizational culture that promotes a sense of belonging, pride, and loyalty among employees, and reduces their intention to leave the organization. The theoretical implications of the study suggest that organizational culture is a critical factor in shaping employee commitment and turnover intentions, and that future research can explore the specific mechanisms through which organizational culture influences these outcomes.

**Recommendations for organizational leaders:**

Based on the findings of the study, organizational leaders can take several steps to improve their organizational culture and retain employees. These steps include:

- Developing a clear and compelling vision and values for the organization
- Ensuring that communication is open, honest, and frequent.
- Providing opportunities for employee recognition and feedback
- Investing in leadership development and training
- Encouraging employee participation and engagement in decision-making processes
- Monitoring and addressing employee concerns and issues in a timely and effective manner.



Overall, the study highlights the importance of organizational culture in shaping employee commitment and turnover intentions and provides insights and recommendations for organizational leaders to improve their organizational culture and retain employees.

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