



A Literature Review on Impact of Organizational Culture on Organizational Performance

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Abstract: Improving employee performance has been on the top of the organizational agenda. The purpose of the study is to examine the impact of organizational culture on employee performance using public and private Indian insurance companies. It also identifies the relationship between the factors of organizational culture and organizational performance. To study the impact of organizational culture on employee performance, it is vital to understand the organizational culture and different aspects of employee performance. This article presents a literature review about the relationship between organization culture and employee performance. It was found that the researchers have considered varying dimensions of culture on one hand and different criteria to assess employees' performance.

Key words- Organizational culture, employee performance, organizational performance.

Introduction

Work culture of an organization is born out of the organization's strategic intent and values. The employees and management are key factors in creating a productive work environment. Before deciding a job a prospective employee usually looks into the work culture of an organization with a view to better align him into it. It helps in further defining his role in the organization and relations with the management.

Organizational culture

Organizational culture is a structure of shared values, assumptions and beliefs, which determine how people behave in organizations. These shared values have an extreme influence on the people in the organization, how they approach their work and interact each other. According to Azhar (2003) Organizational culture is the combination of important assumptions that shared in common by each member of organizations and are often unstated. Organization culture is primarily is made up by two major common assumptions: Values & Beliefs.

The researcher further states that successfully managed companies normally have distinctive culture based on which they are responsible for successful implementation of their strategies. Nowadays, every organization are having their own work culture which has a very powerful influence on the employees and the management of that organization and therefore, it is the most effective means of improving the performance of organization.

Organizational Performance

Organizational performances encompass the actual output or results of an organization as measured against its intended outputs. It's about express goals into results. An examination of a company performance as compared to goals and objectives within organizations, there are 3 primary outcomes analyzed: shareholder performance, financial performance and market performance. Specialists of numerous fields are concerned with organizational performance including long term planners, operations, and finance, legal & organizational development.

Review of literature

In this study on the "Influence of organizational culture on organizational learning, worker involvement and worker productivity" found that there is significant correlation between the explanatory variables, that is the dependent variable (organizational culture) and the independent variables (organizational learning, worker involvement, worker productivity). Organizational performance is significant factor of organizational culture. The affirmation support the conclusions that organizational learning, employee productivity and employees motivation significantly impacted by organizational culture (Dai, K. & Changjun, 2009). In this study author believe that to the understanding of performance management will contribute research on culture (Murphy and Cleveland, 1995).

Denison organizational culture model is based on 4 cultural traits adaptability, consistency, involvement and mission that have been influence on organizational performance. Involvement:- effective organizations build their organization around teams, develop human potential at all levels and empower their people. Consistency:-organization tends to have a strong culture that is well integrated, well coordinated and highly consistent. Adaptability:-adaptable organizations are driven by their customers, learn from their mistakes and take risks and have potential and

experience at creating change. Mission:-successful organizations have a clear direction and purpose that determine organizational goals and long term objectives and express a vision of future. Cultural traits of adaptability, involvement, consistency & mission in organizations exercise a significantly positive influence on performance management practices (Denison, 1990, Denison & Mishra, 1995).

According to researcher “Impact of organizational culture on performance management practices in Pakistan” to expand the vase of ideas and empirically test the bond between components of corporate culture and performance management practices. The study implemented exploratory research to investigate the impact. Primary data was gathered through question. For statically analysis regression and correlation is used. Findings: statically results show that participation is highly correlated with steadiness and adaptable. Implications: this research selected sample from few cities of Pakistan (Ahmed, M. S., 2012).

In this study measures empirically the usefulness of organizational culture on employee job performance as well as employee’s efficiency using Indian banking industry. Two hypotheses were framed:(i)There is no positive connection between organizational culture and employee’s work performance, and(ii)there is no positive association between corporate sectors corporate culture and organizational productivity in Indian banking industry through survey method. The findings are shows that, large number of respondents strongly agrees that organizational corporate culture has put influence on employees work performance, and nearly half of the employees also agree that the culture of corporate sector determines the level of productivity of the organization. (Gunaraja, T M, 2014).

According to this study there is an empirical impact of corporate culture on employee job performance as well as organizational productivity using private companies in saurashtra region. To hypothesis were innovative: 1. there is no positive association between organizational culture and employee job performance, and 2. there is no positive association between corporate culture and organization productivity in selected private companies. The findings ended to accept our two alternative hypotheses and reject the null hypotheses. The result shows that there is no positive relation between organization culture and productivity as well as performance of employees in selected companies. (Bhati, P., 2012).

The main aim of this study is “to examine the relationship of organizational culture with commitment”. In this respect, the constituents of organizational culture as the independent variable were derived from Denison’s model and the components of organizational promise as the dependent variable were derived from Allen and Mayer’s model and then, the association between two kinds of variables was tested through Pierson correlation testing. The results from the study showed that there was a significant association between all the components of organizational culture including flexibility, involvement, mission, adjustment and organizational commitment (Madan, M. , Saadat, V., 2012).

The factors influencing organizational performance are investigated with highly increasing importance. Considering corporate culture as one of the factors, the effect of organizational efficiency on the types of organizational culture is questioned. In this study, relationship between organizational culture and organizational performance and the effect of variability or stability of external and internal environment on this relation are investigated. The findings shows that organizational efficiency dimensions are related to organizational culture. The top manager’s

values play a moderator role in stability or variability of internal and external organizational environment on this relationship (Aktas, E., Cicek, I. & Kiyak, M., 2011).

In this study, consequences of corporate culture on work performance of employees look with evidence of Indian public sector industry. This study reveals that organizational culture has positive impact on employee's job performance. Through hypothesis test we get that a positive relationship between organizational culture and organizational performance of employees. Training and leading can serve an effective methodology for promoting the culture and awareness of the organization (T.M Gunaraja, Venkatramaraju, D., 2013-2014).

The present research tested the hypotheses that organizational cultural variables are positively related to organizational commitment. It clearly shows the relationship among corporate culture and organizational commitment in Indian BPO sector. Another area of concern is the measures used, based on the perception of employees who participating. This implies that smaller BPO'S employees understand their culture shade better than medium and larger BPO'S employees. Organizational culture found important variable in organizational commitment, in other words there should be change in the culture of organization to make more committed employees. It also leads to effective utilization of human resources but also in retaining the employees (Dewivedi, S. & luxmi, 2011).

Study the impact of organizational culture on employee performance, to the vital aspects of organizational culture and different aspect of performance management in the organizations. It found that the author have significant dimensions of culture on other hand there are different aspects to evaluate the employees performance. A conceptual model reveals towards the end of to the study that there is structural relationship between employee performance and organizational culture (Ratnawat, R. G., 2014).

"The real thing is that leader's do is to create and manage the culture". If you do not manage the culture, it manages you and you not aware the expanse what is happening. This exploratory research study explains the impact of organizational culture on organizational performance, which is conducted in different Bahawalpur based franchise of telecom companies. The purpose of this study is to regulate the impact of organizational culture on employee performance, in order to get that assist in managing the employee performance. The findings reveal that all the cultural dimensions influence the organizational performance in different perspective (Amhed & Shafiq, 2014).

This research find the problem which was to govern organizational culture effect on organizational performance in hospitality industry with aim of establishing if it can further exploited and invested. This research elaborate the analysis the effect of six elements that is organizational structures, power structures, control systems, symbols, Rituals and Routines, stories & Myths on the organizational performance. It conclude that there is a significant effect technology innovation and stategic direction on organizational performance. This research has confirmed that technology innovation and strategic direction do have a significant effect on organization's performance. (Chilla, H. A., 2014).

This research focuses on the culture of organization and it has direct relationship between organizational culture and corporate performance, this paper explore the relationship between organizatinal culture and organizational performance together with organizational commitment as a mediator or a moderator. The organizational commitment conclude that from some antecedent variables (such as age, experience, personal chracter etc) and use to establish some phenomenon(job performance, turnover rate and attendence). This paper would like to choose

the corporate commitment in the relationship between organizational culture and corporate performance (Xiaoming, C., 2012).

This study explained that organizational culture is operational zed by many inactive variables: task organization, organizational values, organization structure & purpose, individual values and beliefs and climate. These variables are hypothesized in turn to affect the performance of organization (George & Ronald, 1993).

This current study attempts to examine the effect of organizational culture on employee performance at Telecommunication firms in Mogadishu- Somalia. The main objective of this research is to examine the relationship between competitive culture, entrepreneurial culture and consensual culture with employee performance. The result found that three constructs had statistically significant, positive and straight effects on employee performance (Dahie, Takow, & Osman, 2016).

Objective of the study

1. To find out the relationship between two variables: organizational culture & its performance.
2. To examine the influence of organizational culture on employee's performance.
3. Relationship between organizational effectiveness and organizational culture and to create suggestion on that.
4. To determine if the organizational culture impact on employee job performance.

Conclusion

Organizational culture defines the way employees complete tasks and interact with each other. The culture of an organization to a large extent determines the performance of employees. This paper reviews the impact of organizational culture on employee performance. The construct organizational culture is complex in nature. Most of the researches are done on types of organizational culture and its impact on organizational performance in India and other country also but no significant study is conducted related to the organizational cultural factors on organizational performance in Insurance sector of India. The relationship between organizational culture and performance has been study and a clear link between them identified by certain researcher's research. The organizational performance considered for the purpose of this study demonstrates the employee performance metrics of public and private sector insurance companies of India. An effective culture of the organization may enhance or increase the performance of employees. The variables taken for the studies are organizational culture include involvement, adaptability, consistency and mission and employee performance. Thus, the there is a lot of scope in this area because the available review is limited.

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