
Organisational culture and Employee Performance

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Abstract- Modern organizations pose enormous opportunities and challenges to the corporate practitioners and policy makers. Analysis of this dynamism is crucial to pursue the organizational strategic objectives. Performance management is a process of delivering sustained success to organizations by improving capabilities of individuals and teams. Organizational culture refers to the beliefs and values that have existed in an organization for a long-time, the beliefs of the staff and the foreseen value of their work that will influence their attitudes and behaviour. Knowledge of the culture of an organization allows employees to understand both the organization's history and current methods of operation. Organizational culture can foster commitment to the organization's philosophy and values. Organizational culture serves as a control mechanism to channel behaviours toward desired behaviours and away from undesired behaviours. 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. This paper aims to study the impact of organizational culture on employee performance and productivity from the perspectives of multinational companies. The author also attempted to find out the other factors which effect employee performance and employee productivity.

Key Words: employee performance, productivity, organizational culture, organizations, Work culture.

Introduction

Organizational culture refers to the beliefs and values that have existed in an organization for a long-time, the beliefs of the staff and the foreseen value of their work that will influence their attitudes and behaviour. Organizational culture is divided into two major aspects; material and non-material cultures. The Material aspects of culture include products of industry, technology, art, and are directly observable. The non-material aspects of culture consist of the knowledge, philosophy, morals, languages, motivation, attitudes, values, and norms shared and transmitted in a society. They are not visible or tangible but they are manifested through the psychological states and behaviour of people. Knowledge of the culture of an organization allows employees to understand both the organization's history and current methods of operation. Organizational culture can foster commitment to the

organization's philosophy and values. Organizational culture serves as a control mechanism to channel behaviours toward desired behaviours and away from undesired behaviours. Improving employee performance has been on the top of the organizational agenda. 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. To study the impact of organizational culture on employee performance, it is vital to understand the organizational culture and different aspects of employee performance.

Objective

The primary objective of this study is

1. To ascertain the impact of corporate culture on employee performance of employees.
2. Assessment of relationship between demographic factors and organization culture.
3. To find out the factors effecting employee job performance.

Methodology

The author gathered demographic information of the respondents such as gender, age, education, marital status, qualification, and experience. Then the organizational culture and employee performance is examined. Data was collected from both primary and secondary sources. Primary data was collected from 70 respondents including Top Managers, HOD, Supervisors and employees. Secondary data was sourced from other related documentations, internal memos and minutes of meetings about organizational performance will also be evaluated.

In analysing, the relationships between the independent variables and dependent variable factor analysis, correlations are calculated. Pearson's correlation was used to determine the degree of relationships between the variables. In order to answer the researches questions and achieve the objectives of the study; the following hypotheses are advanced and will be tested in the course of this study.

HYPOTHESIS - 1

Ho: Organizational culture and performance of employees are Independent.

H1: Organizational culture and performance of employees are not correlated.

HYPOTHESIS - 2

Ho: There is no stronger relationship between organization culture and productivity.

H1: There is stronger relationship between organization culture and productivity.

HYPOTHESIS - 3

Ho: The variables Work Processes, leadership styles, Organisational Values, Organisational Climate and Employee performance are co-related.

Table-1 Demographic profile of the employees

Demographic Characteristics		Frequency
Gender	Male	56
	Female	14
Age	>20	8
	21-30	49
	31-40	6
	<40	7
Marital Status	Married	30
	Unmarried	40
Qualification	UG	7
	Graduate	50
	PG	13
Experience	6 months	16
	1 year	13
	2 year	10
	3Year	14
	>4year	17

Source – Questionnaire

Data Analysis and Interpretation And Testing Of Hypothesis

Hypothesis - 1

Ho: Organizational culture and performance of employees is Independent.

H1: Organizational culture and performance of employees are not correlated.

Scales	Observed Frequency	Expected Frequency	(O-E) ²	(O-E) ² /E
Strongly agree	16	14	4	0.28
Disagree	07	14	49	3.5
Undecided	15	14	1	0.07
Agree	24	14	100	7.14
Strongly disagree	08	14	16	1.14
Total	70			12.13

Calculated value of chi-square at 4 degree of freedom is 9.49. Since the calculated value is greater than the tabular value the null hypothesis is rejected and alternate hypothesis is accepted. It indicates that, there is no relationship between organization culture and employee performance.

Hypothesis – 2

Ho: There is stronger relationship between organization culture and productivity.

H1: There is no stronger relationship between organization culture and productivity

Scales	Observed Frequency	Expected Frequency	(O-E) ²	(O-E) ² /E
Strongly agree	17	14	9	0.64
Disagree	07	14	49	3.5
Undecided	13	14	1	0.07
Agree	18	14	16	1.14
Strongly disagree	05	14	81	5.78
Total	70			11.13

Calculated value of chi-square at 4 degree of freedom is 9.49. Since the calculated value is greater than the tabular value the null hypothesis is rejected and alternate hypothesis is accepted. It indicates that, there is no stronger relationship between organization culture and productivity.

Hypothesis - 3

Ho: The variables Work Processes, leadership styles, Organisational Values, Organisational Climate and Employee performance are co-related.

H1: The variables Work Processes, leadership styles, Organisational Values, Organisational Climate and Employee performance are not co-related.

Co-relation Matrix

Variables	Work Processes	Organisation Climate	Organisation values	Leadership styles	Performance
Work Processes	-	.395	.595	.402	.489
Organisation Climate	-	-	.491	.678	.594
Organisation values	-	-	-	.623	.332
Leadership styles	-	-	-	-	.742

From the above data it is clear that the variables like work Processes, leadership styles, Organisational Values, Organisational Climate and Employee performance are co-related.

From the analysis of results in the table above, it's indicated that there is a positive weak relationship between organizational values and Employee performance. The direct relationship is weak for organisation value to performance but it has a significant strong indirect impact through its strong correlation with the other variables and this therefore implies that organisation values has an impact on employee's performance directly and indirectly.

A strong and positive relationship was observed to exist between organizational climate and employee Performance and a strong correlation with Leadership styles variable. This implies that leadership styles can affect the perception of organisation climate amongst the employees and Organisation climate has direct impact on employee's job performance. Improvement on leadership styles and perception of the organisation climate would lead to a better employee job performance. The above analysis presents a significant and positive relationship between Leadership styles and employees' performance. This implies that the leadership styles used by the managers have a significant impact on employees' job performance. Improved leadership skills will enhance better

leadership styles paving the way to employees' job performance as well as the organisation climate. It is observable that there is a positive relationship between work processes and employee's performance as well as with the organisation values. This implies that a well-managed organisational values, work processes and system would significantly improve employee's job performance.

Finding & Suggestions

The impact assessment of organization culture on employees is a subjective approach. In this research, all the employees and manager as well as owners responded in a very positive way. But the measurement of performance is very difficult in context of organization culture. Apart from culture, the performance is affected by different factors like organization policy, nature of supervisor of any superior to employee, Work Processes, Organisation Climate, Leadership styles etc. The main objective was to establish positive relation between culture and performance as well as productivity. But rejection of the hypothesis, proved the assumptions wrong. Overall, the employees are aware about their duties, tasks, responsibility and their commitment towards organization. The culture of organization should be such that it results to improve performance and productivity of employees. There should be HR department in each firm. A responsible HR manger should be more capable who can nurture the core value in organization culture, motivate the employees and make organization more competent.

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