

AN EMPIRICAL STUDY ON IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE

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ABSTRACT

Culture may have a huge impact on the performance of all organizations around the world. The study on this exploration work is to access analytically the effect of organizational culture on worker/employee performance utilizing some selected advanced education institutes in southern Rajasthan as case study. The investigation secured on the objective to decide the effect of organization culture on employee performance and to find out the components that impact the employee performance in view of organizational performance.

Keywords: *Organizational Culture, Employee Performance, Productive Workplace, Environment.*

Introduction

Organizational culture alludes to the beliefs (convictions) and values that have existed in an organization for a long-lasting duration, the convictions of the staff and the predicted estimation of their work that will impact their attitudes and behaviour. Organizational culture serves as a control system to channel behaviours toward wanted behaviours and far from undesired practices. Enhancing employee performance has been on the highest point of the organizational agenda. The work culture of an organization is resulting from the organization's vital purpose and qualities. The employees and administration are the key factors in making a productive workplace. Before choosing a job an imminent employee normally investigates the work culture of an organization with a view to all the more likely adjust him to it. It further helps in additionally characterizing his part in the organization and relations with the administration. To study about the effect of organizational culture on employee performance, it is fundamental to comprehend the organizational culture and distinctive parts of employee performance.

Literature Review

Organizational culture is the environment that infests the interior of an organization or association. Organizational culture was likewise recognized as what was passed on to the people within the organization, what they experienced, believed, and illustrated (Nadler M and Nadler D., 1998).

As per Ojo (2008) in spite of the abundant studies on organizational culture over the most recent couple of decades, the experimental evidence rising up out of different investigations about the impact of organizational culture on performance have so far yielded blended outcomes that are uncertain and conflicting. He additionally expresses that researchers agree on the way that there is no agreement on the exact idea of the connection between organizational culture and performance.

Organizational culture has the capacity to upgrade organizational performance, employee work satisfaction, and the feeling of certainty about critical thinking (Kotter, 2012). On the off chance that an organizational culture ends up incongruent with the changing desires for inner as well as outer stakeholders, the organization's effectiveness can decline as has happened with a few organizations (Ernst, 2001).

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Organizational culture and performance are clearly connected (Kopelman, Brief, and Guzzo, 1990), in spite of the fact that the proof with respect to the correct idea of this relationship is blended. Studies demonstrate that the connection between numerous cultural attributes and high performance has not been reliable after some time (Denison, 1990; Sorenson, 2002).

Gordon and DiTomaso (1992) and Denison (1990) argue that culture qualities may influence performance yet controlled or accustomed to the particular context. They additionally argue that culture may prompt higher performance in the event that it fits with changes in ecological factors within the framework.

Objective of the Study

This study would primarily evaluate organizational culture, its impact on human resource management, specifically the study sought the following objectives:

- To examine the impact of organizational culture on employee performance.
- To ascertain the factors that influence the employee performance based on organizational culture.

Research Methodology

In simple terms, a research method is systematic process for collecting data. The decision of research strategy reflects choices about the sort of instruments or strategies to be utilized (Richardson et al., 2009). Research philosophy incorporates a sampling plan, information gathering, information analysis, and constraints or limitations that the research confronted. Picking the correct research strategy relies upon a few criteria, for example, the aim of the examination, the sort of data required, the character of respondents, manipulation of independent factors, the level of control that the researcher has over the case under investigation, and limitations of time and cash. The further methods are discussed below;

• Research Questions

- Q.1 Does Organizational Culture really impact Employee Performance?
 Q.2 What impact does organizational culture have on employee performance?
 Q.3 To what extent does organizational culture affect employee performance?
 Q.4 Are there factors that influence employee performance in an organization to depend on its culture?

• Hypothesis

- H₀₀**: There is no significant impact of organizational culture on employee performance.
H₁₁: There is a significant impact of organizational culture on employee performance.
H₀₂: There is a no factor of organizational culture that influences employee performance
H₂₂: There are some Factors of organizational culture influence employee performance.

• Material and Method

In this study, survey research design is adopted and for the purpose, a structured questionnaire is prepared.

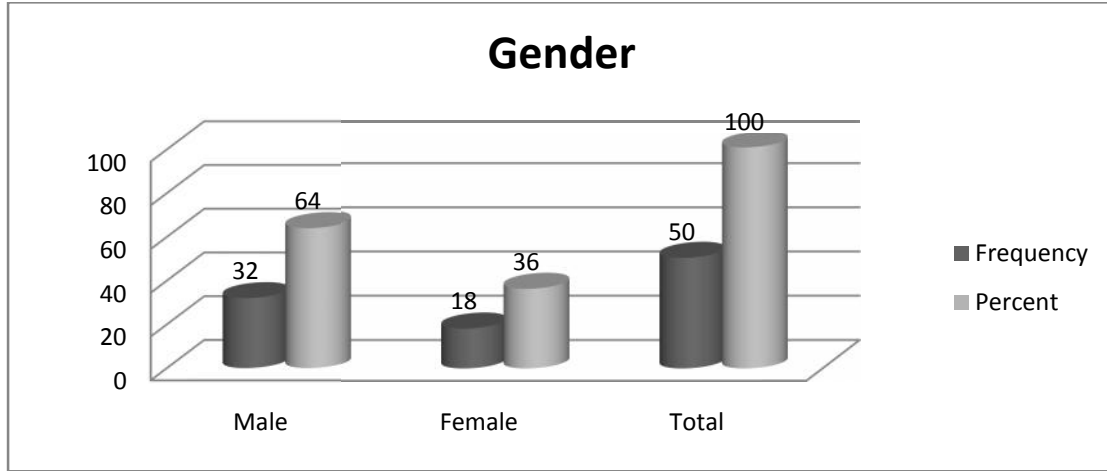
• Data Analysis and Presentation

In this section analysis of the demographic profile of respondents with variables like gender and education classification is attempted using various frequency tables and graphs. Also in the same section organization culture, the impact of Organizational Culture on employee performance, factors that influence employee performance based on organizational culture were found out. Furthermore, hypothesis testing for finding out whether there are factors that influence employee performance based on organizational culture to exist or not is attempted with the help of chi-square test.

Table 1: Frequency Table of Gender Class of Respondents

		Gender			
	Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	32	64	64	64
	Female	18	36	36	100
	Total	50	100.0	100.0	

Graph 1: Frequency Graph of Gender Class of Respondents

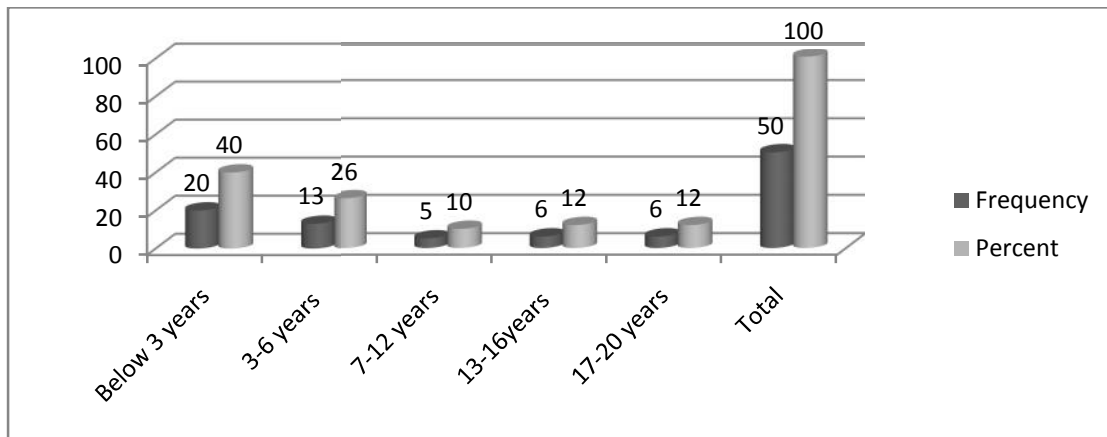


When Gender of the respondents was enquired, the results from the table and graph above clearly demonstrates that out of total 100 respondents 32 (64%) of the respondents are male while 18(36%) of the respondents are female. This displays that companies selected for analysis possess a considerable amount of female employees implying a greater gender balance in the workplace.

Table 2: Frequency Table of Experience of Respondents

		Experience			
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	Below 3 years	20	40	40	40
	3-6 years	13	26	26	66
	7-12 years	5	10	10	76
	13-16years	6	12	12	88
	17-20 years	6	12	12	100
	Total	50	100	100	

Graph 2: Frequency Graph of Experience of Respondents



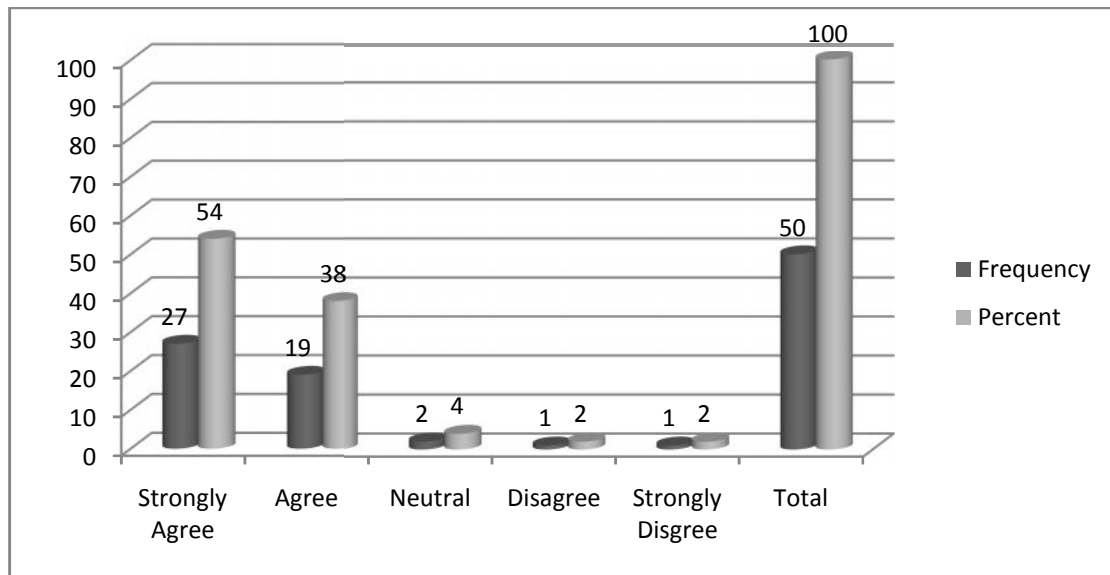
Respondents were asked about their total working experience in the organization. Results were then plotted in table 2 and graph 2. From this table it is clear that 40.0% of the respondents have worked in the organization for less than 3 years while 26.0% of the respondents have worked in the organization for 3-6yrs, 10% have worked in the organization for 7-12yrs, 12% are worked in an organization for 13-16 years and the remaining 12% of the respondents have worked in the organization for 17-20 yrs. From

results, it can be decoded that a maximum number of respondents under consideration are possessing experience of fewer than 3 years with a count of 20(40%). Thus they possess a smaller amount of knowledge and awareness about organization culture prevailing in their organization.

Table 3: Frequency Table of the Impact of Organizational Culture on Employee Performance

		Impact			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	27	54	54	54
	Agree	19	38	38	92
	Neutral	2	4	4	96
	Disagree	1	2	2	98
	Strongly Disagree	1	2	2	100
	Total	50	100	100	

Graph 3: Frequency Graph of the Impact of Organizational Culture on Employee Performance

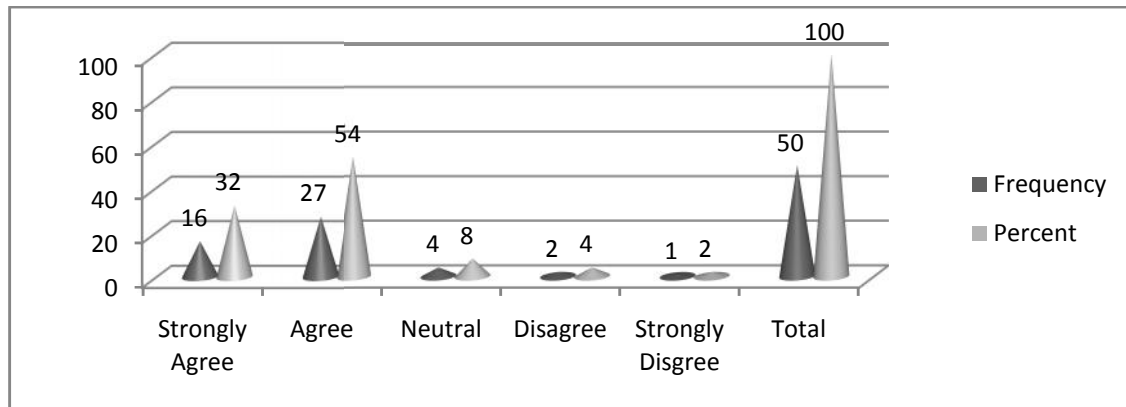


The table above was plotted to identify the impact of organization culture on employee performance from the perception of employees. The table shows that out of total 100 respondents, 54% of the respondents strongly agree and 38% of the respondents agree that organizational culture has a significant impact on employee performance. Also, we have 4 % of the respondents who are neutral, 2% of the respondents who strongly disagree and 2% of the respondents who disagree that organizational culture (OC) has an impact on employee performance. Thus from results, it is clear that 92% of the respondents agree over the fact that OC influences employee performance up to a greater level.

Table 4: Frequency Table of Factors that Influence Employee Performance Based on Organizational Culture

		Factor			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	32	32	32
	Agree	27	54	54	86
	Neutral	4	8	8	94
	Disagree	2	4	4	98
	Strongly Disagree	1	2	2	100
	Total	50	100	100	

Graph 4: Frequency Graph of Factors that Influence Employee Performance Based on Organizational Culture



From the table above, 54% of the respondents agree, 32% of the respondents strongly agree, 8% of the respondents are neutral, 4% of the respondents disagree and 2% of the respondents strongly disagree that there are no factors that influence employee’s job performance based on culture.

To find out whether OC put an impact on employee performance or not following hypothesis has been formulated and evaluated with the help of chi-square test;

H₀₀: There is no significant impact of organizational culture on employee performance.

H₁₁: There is a significant impact of organizational culture on employee performance.

Table 5: Test of Hypothesis One

Options	Frequency	(Observed-Expected)	(Observed-Expected) ²	(Observed-Expected) ² /e
Strongly Agree	27	17	289	28.9
Agree	19	9	81	8.1
Neutral	2	-8	64	6.4
Disagree	1	-9	81	8.1
Strongly Disagree	1	-9	81	8.1
Total	50			59.6

Expected frequency = 50/5=10

$$\text{chi square} = \frac{\text{observed-expected}^2}{\text{Expected}} = 59.6$$

Degree of freedom = (r-1)* (c-1)

Here from the analysis we have the *df* is 4 = 9.488, thus the calculated value is higher than the table value. Hence, H₀ i.e. null hypothesis is rejected and the alternate hypothesis is accepted. This implies that there is a significant impact of organizational culture on employee performance.

Further to find out that factors of OC that influence employees performance exist or not following hypothesis has been formulated and evaluated with the help of chi-square test;

H₀₂: There is no factor of organizational culture that influences employee performance

H₂₂: There are some Factors of organizational culture influence employee performance.

Table 6: Test of Hypothesis Two

options	Frequency	(observed-expected)	(observed-expected) ²	(observed-expected) ² /e
Strongly Agree	16	6	36	3.6
Agree	27	17	289	28.9
Neutral	4	-6	36	3.6
Disagree	2	-8	64	6.4
Strongly Disagree	1	-9	81	8.1
Total	50			50.6

Expected frequency = 50/5=10

$$\text{chi square} = \frac{\text{observed-expected}^2}{\text{Expected}} = 50.6$$

Degree of freedom = (r-1)* (c-1)

From the above table and statistical analysis, it is clear that the *df* value is 4 = 9.488 since the calculated value is higher than the table value. Hence, H_0 is rejected and the alternative hypothesis is accepted. This means there are factors that influence employee performance based on organizational culture.

Findings (Summary)

- A large number of respondents (54%) strongly agree that organizational culture has an impact on employee performance.
- This study reveals that there is a significant impact of organizational culture on employee performance. This is evident from the first hypothesis test in which the calculated value of chi-square 59.6 is greater than the tabulated value of 9.488.
- This study further reveals that there are some Factors of organizational culture which influence employee performance. This is evident from the second hypothesis test where the calculated value of chi-square 50.6 is greater than the tabulated value of 9.488.

Conclusion

The paper successfully demonstrated that there are certain attributes of organizational culture that have a significant positive impact on the performance of employees. Employee's performance is the key determinant for a business to gain a competitive advantage in this fast-paced globalized market, thus the purpose of this study is to explain and empirically test the effect of organizational culture on the employee's performance or the relation between the two. The results of this study suggest that an organization's manager should focus on all the factors that put a significant effect on employee job performance, to ensure smooth and successful workflow of their business. This study thus successfully achieved its objective of identifying the relationship between organizational culture on employee performance, which turned out to be strongly positive.

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