



A STUDY ON THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE

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ABSTRACT

At present many specialists state that machines and technology are substituting human resource and reducing their role or effort. Nevertheless machines and technology are built by the humans. Possibly because of this reason, companies have constantly been looking for talented, skilled and qualified professionals for more development of machines and technology, which must be controlled or monitored by humans. Research designs are important because complete designs tend to produce significant and correct conclusions. They contribute to the systematic observation of the research question or problem. The study adopted the interpretative pattern and used questionnaires as a tool for collecting the necessary data. A total of 50 questionnaires were distributed to the employees of Source Edge Software Technologies Pvt. Ltd. Simple method of tally marks, percentages and ranking methods were used to analyze and interpret the data. The findings showed that there is a significant and strong relationship between culture and employee performance. The results of the analysis of cultural variables explained that culture is a significant factor to improve the employee performance and the managers in the organization should translate this connection into action. Based on the research findings made in this study, some recommendations were offered for possible considerations by Source Edge Software Technologies.

Keywords: Technology, skilled professionals, human behavior, mission, employee performance, culture, organization culture.

INTRODUCTION

One of the main essential building blocks for a highly flourishing organization and an astonishing place of work is "organizational culture". The most significant item about culture is that it is the mere sustainable point of difference for any business. Everybody can replicate a company's strategies and tactics, but no one can duplicate their culture. Culture is motivated by leadership. How leaders conduct themselves, what they say, and what they give importance to drives culture.

Organizational culture is defined broadly as "a collection of values, beliefs and norms shared by its members and reflected in organizational practices and goals" (Hofstede *et. al.*, 1990). The notion of organizational culture came to the force in a sequence of British and American management texts of the 1980s, which tried to explain either (or sometimes both) the complexities of Western businesses in handling with economic recession as well as the

challenges of Japanese corporations. Human necessity for stability, consistency and meaning are gathered through culture that tackles these needs through our belief system, customs rituals and pattern of behaviors.

‘Shared Value’ is the key element and one of the soft factors that sustain a company’s competitive advantage. Its meaning tell us: (1) what the organization stands for and what it believes in; (2) the organization culture would be valuable in attaining excellence due to its imitable advantages.

SIGNIFICANCE OF THE STUDY

Today’s organizations pose enormous opportunities and challenges to the corporate practitioners and policy makers. Understanding such dynamism is very crucial to pursue the organizational strategic objectives. Most organizations put more efforts on the focus of only intrinsic and extrinsic reward systems but give less concern on the traditional cultural activities. Organization culture has received relatively low levels of investigation. The primary purpose of this research is to understand the meaning, conceptualization and judging the impact of organizational culture on employee performance and also to scrutinize the relationship between culture and performance.

There are still few companies like amazon where employees are facing problems like unfair high standards and expectations, procreating unhealthy competition among colleagues, supporting criticism over harmony, lack of benefits, paying no attention to employees’ needs for work-life balance, lack of praise, inequitable systems of ranking and so on.

PROBLEM STATEMENT

Majority of the organizations put additional efforts on the focus of only intrinsic and extrinsic reward systems and offer less concern on the traditional cultural activities as simple as the values of the company. Employees also get motivated when they are given equal opportunities, respected and recognized allowing them to work in team and put forth their opinions, participate in decision making, promoting healthy competition etc. Everyone earns money today, but most importantly people look for their self respect in the company and the values, when its lost, they feel demotivated and fail to reach their results. The key to good performance is a strong culture and good performance is backbone to any company. Because of the variation in organizational culture, identical strategies do not yield same results for two organizations in the same industry and in the same setting.

An optimistic and well-built culture can make an average individual perform and achieve brilliantly whereas a pessimistic and feeble culture may demotivate a marvelous employee to underperform and end up with no accomplishment. Consequently organizational culture has a dynamic and direct role in performance management. Organizational culture is associated with job satisfaction, job performance and employee retention and plays a very significant role in increasing the organizational effectiveness and employee performance. It also encourages the participation and improvement of all the members of the organization in terms of their performance and hence it is considered to be an important asset for the organization. Thus, this study is concerned with an effort to identify the relationship that exists between organizational culture and employee performance.

OBJECTIVES OF THE STUDY

1. To understand the importance of organizational culture and organizational performance.
2. To identify the type of organizational culture capable of enhancing employee performance in an organization.
3. To identify factors hindering the employee performance in an organization.
4. To explore the culture of software companies.

RESEARCH METHODOLOGY

Sampling design: The type of sampling design used for the purpose of this study is non-probability sampling where all the respondents have not received an equal chance of being considered while interpreting the results. Under the non-probability sampling, the type of sampling method used is purposive and convenience sampling.

Sample size: The sample size that was used in this particular project was restricted only to 50 employees in the company. The analysis and interpretation which was made was based on these 50 respondents.

Sampling unit: The sampling unit or the target group used in this particular project is the software employees of the company Source Edge Software Technologies Pvt Ltd.

Collection design: The collection design used in this particular study was questionnaires consisting of 12 questions which were filled by the employees of the organization. A structured questionnaire consisting of three main parts, where Part One is about the demographic information, Part Two is about the general awareness questions on organizational culture and Part Three is about the impact of organizational culture on competitiveness, organization performance, individual employee performance and consensual culture.

SOURCES OF DATA

Primary data: The main source of data for studying the impact of organizational culture on employee performance was collected through primary data by distribution of questionnaires to the employees. Each questionnaire, containing a total of 20 questions was distributed to the employees of the organization belonging to various age groups and different departments.

Secondary data: Some information was also taken from secondary sources such as the company website and internet.

DATA ANALYSIS & INTERPRETATION

Table 1

COMPETITIVE CULTURE	SDA	DA	N	A	SA	TOTAL
My performance goals are achievable	2	0	18	136	40	196
I have the necessary skills to achieve my goals.	0	0	3	100	120	223
I am familiar with the general organization strategic plans.	0	6	51	100	25	182

Source: Survey Data

Table 2

INDIVIDUAL EMPLOYEE PERFORMANCE	SDA	DA	N	A	SA	TOTAL
The better an employee can converse the better they can perform their jobs well.	0	8	15	72	115	210
I perform my work to the anticipated standards.	0	2	6	128	75	211
I am able to manage and execute the work within the stipulated time	0	2	33	128	30	193
Organizational culture influences employee behavior.	0	4	30	100	65	199
Organizations that value innovation persuade high employee performance.	2	0	27	116	50	195
Team work is a strong attribute of organizational culture that boosts high performance among employees in an organization.	0	0	9	104	105	218

Source: Survey Data

Table 3

CONSENSUAL CULTURE	SDA	DA	N	A	SA	TOTAL
Employees work collectively as a team in the organization.	0	2	12	140	50	204
I am loyal to the ideals of the organization.	0	0	30	140	25	195
I am devoted to the vision, mission and aims of the organization.	0	2	3	140	65	210
The traditions of the organization are conserved and maintained.	2	2	33	124	30	191

Source: Survey Data

Table 4

ORGANIZATION PERFORMANCE	SDA	DA	N	A	SA	TOTAL
I am highly involved in achieving the overall goals and objectives of my company.	0	0	21	132	50	203
I am contented with my job and I am determined to stay in the organization.	2	2	30	112	45	191
The entire organization pulls towards a common goal encouraged by its culture and mission.	2	4	15	132	40	193
There is better answerability for end results inside the organization.	2	0	30	132	25	189
Organizational culture determines the productivity level of organization.	4	0	21	140	20	185

Source: Survey Data

SUMMARY OF FINDINGS

Organizational culture was used as the independent variable while performance served as the dependent variable. The findings showed that there is a noteworthy connection between culture and organizational performance.

- 16% employees feel that company establishes the performance goals which are achievable and 48% feel that the company ensures that the employees have necessary skill set to achieve the goals and 10% of them feel that they are aware of the strategic plans of the organization. Importantly, they consider that the employees having necessary skills to be the indicator of competitive culture.
- 23% of them feel that the company ensures that there is a better communication process and employees meet their expected standards. 6% of employees feel that are able to complete

their work within the given time period and the company also gives more importance to valuing innovation and encourage high performance among the employees. Team work, which is the strong characteristic in enhancing performance of an employee, is considered as the important indicator of individual employee performance.

- Organization culture has created stability in the workplace. The findings also show that the workforce is contented with the organization and intend to stay in the organization for a longer time. An employee being highly involved in achieving the overall goals and objectives of the company is considered to be the essential indicator of organizational performance.

The study also recognized that 20% of the employees feel that the workforce work together as a team and the colleagues are gregarious and they are also respected by the organization. The employees also give their commitment and faithfulness to the vision, mission and goals of the organization and this factor is the vital indicator of consensual culture.

CONCLUDING REMARKS

The main idea of the study was to understand whether organizational culture has an impact on employee performance. Considerable data was collected through questionnaires, personal observation and different websites. The feedback or opinions taken from the employees of the company are only limited to a sample size of 50 respondents. The data from the questionnaires have been analyzed, tabulated and interpreted for simpler and easier understanding.

A general conclusion can be drawn from the findings regarding cultural influence on employee performance. The result of the study has provided important implications on the relationship between organizational culture and employee performance. This study, henceforth, has depicted the vital relationships of these two factors in an organizational setting. This research has also provided us with a better understanding of the relationships of these factors in enhancing the administrative efficiency and organizational accomplishment. This research exhibit that every person in the organization comes from dissimilar culture and they seek to adjust their norms and values with organization's norms and values. When an employee agrees to the culture of an organization then he/she performs well. Optimistic employee performance is the basis for the profit of an organization. The culture of an organization helps in improving performance. The constructive relationship between culture and performance helps in improving results of organization. The employee dedication and group effectiveness facilitate in improving performance based upon organization sustainability.

There is a considerable and enormous positive influence of value on employee's performance.

Based on this study it means that if the management of an organization value its workforce this will show the way to a great motivation and high performance in the organization thus making the organizational purpose to be achievable. Value makes workforce to experience that they are part of the organization and also they need to perform towards the achievement of the organizational target. The findings have shown that an organization can enhance employee job performance through enhancing better communication, knowledge and

understanding of tasks, time management, allowing participation, encouraging healthy competition, enhancing team skills and so on.

RECOMMENDATIONS

Based on the above findings concerning culture in this study, some recommendations can be offered includes:

- Some of the respondents are of the feeling that they are still not familiar with the overall strategic plans of the organization. Hence, the company can take measures by explaining to the employees through a meeting or a seminar about what is their common goal and how the employees should work towards it to participate in achieving those goals. There should be a clear-cut communication of what is expected out of them.
- Some of them believe their performance goals are not achievable. Therefore, organisations should make efforts to understand the skills and knowledge that each employee possess and try to match their skills with the work to be done so that they can participate actively and contribute towards achieving the overall goals.
- Organisations should also try to preserve their employees for a longer period of time because once they have started working in the company they have a clear picture of everything necessary to work in the company. When there are more experienced employees, it will be easier for the company to achieve its goals rather than bringing more fresh blood into the organization where they have to keep training the fresher and it will take a lot of time to achieve their goals.
- Some of the respondents felt that they are not able to meet the expected standards. The organization should find out such peculiar problems and try to solve it by providing better training to the employees in terms of the work to be performed and help them to improve themselves.
- Some of them are of the opinion that they are not able to finish their work within the stipulated time. Hence, the company should take measures by training them in time management skills which helps them to work sequentially and allocate time for each work to be done so that they will be able to meet their deadlines on time.

This study mainly concentrated on the viewpoints of the employees working in companies. Hence a future study can be conducted to study the viewpoints of the managers also and make a comparative study on the same to know if the stated culture of the company is same as the implied or current culture being followed in the company.

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