

Organization Culture and its impact on Work Performance

Dr.R.Kamalakaran

Assistant Professors

Dept. of Business Administration, Meenakshi Ramasamy Arts and Science College, Thathanur, Tamilnadu, India.

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ABSTRACT: This study aims to assess direct and indirect influences of organization culture on work performance, as well as to evaluate the influences of each sub element of organization culture on work performance. The quantitative research has been chosen in order to meet the purpose of the research and to test those relationships empirically; the data is collected from structured questionnaire. Sample size is 230 and also Descriptive research study is used as a research design and followed simple random sampling method. The sample was selected from business process outsourcing (BPO) companies being operative in Chennai. These findings indicate a positive relationship between organization culture and work performance. Likewise, organization culture sub-elements, namely achieving Goals, empowerment, managing changes and teamwork were found positively impacting the work performance.

Keywords: Organization Culture, Achieving goals, Empowerment, Managing changes, Teamwork and Job Performance.

INTRODUCTION

Organization Culture

Organization culture has generally been interrelated to management. (Kotter and Heskett, 1992). The two essential factors that lead to effective culture management include structural stability and integration of superior standard of organization culture. (Schein, 1995) Certain characteristics of organization culture have been established in which set of norms, values and beliefs helps in perfect association between them. (Hodgetts and Luthans, 2003) At different level of organization culture different background, ethics and racial differences impact upon performance. The similar organization culture with different backgrounds has common set of values and beliefs to be affected by organization systems. (Robbins and Sanghi, 2007) The attraction of organization norms, values and beliefs have strong affect upon performance and sustainability. (Stewart, 2010) The norms of employee's impact upon sustainable performance and management of organization culture as it leads to attainment of profitability

The values and beliefs of organization culture which were shared among different management departments and managers were forced to gain advantage from them come under countercultures. (Kerr, J., and Slocum, J. W. 2005)

The organization cultures that help in pushing thought, attitudes and beliefs of individuals to be more innovative. The valuable asset contributes to growing needs and wants of culture management. The loosely joined culture based upon values and beliefs have association with perfect sets. (Deal and Kenndy 1982) The diversity between personal objectives and organizational goals has creative management of rules and procedures so that perfect association has been created between them.

From these classifications two different kinds of dimensions have been identified such as: Affective & intellectual while secondly self enhancement and self-transcendence. The standards based upon cultures and societies present contractual relationship between life and work. The standards based upon cultural association leads to perfect association between performance and management (Trompanaars 1993).

Organization culture and work performance

Firstly, interpersonal emotion regulation, organizational culture and work performance were considered interrelated to each other by forceful management. Secondly scope of culture based upon theoretical view point have been presented more suitably. The advantage of an every organization is attained through strong association and establishment of their culture. The interpersonal emotion regulation and organization culture helps in measuring limitation to overcome job performance.

PROBLEM STATEMENTS

The problem statement is formulated based on the aforementioned background. Firstly, only a few studies are intended to map out the relationship between organization culture and work performance based on the opinion of the business process outsourcing (BPO) employees. In today's scenario organizations take a proactive measure the influence of organization culture on work performance of business process outsourcing (BPO) employees. work performance of the individuals helps the organization to understand the present conditions and to improve it. Business

process outsourcing (BPO) companies want to select, recruit and retain the key and vital human resources in their organization. Further, it is a big challenge to the business process outsourcing (BPO) companies.

REVIEW OF LITERATURE

Alexe & Alexe (2018) investigated the organizational cultural differences between the IT industry and manufacturing industry of Romania. The study indicated that the leadership in IT industry emphasis on development of those characteristics that are necessary for the formation of comprehensive and inclusive culture as compared to its counterpart. On the other hand, the manufacturing industry is risk averse where employees are less motivated to take up entrepreneurial activities.

Al-Matari and Omira (2017), that there exist divergent views in past research about organizational culture and employees, as well as business performance studies, but majority of researcher agree to have observed cultural impacts on work performance.

Nam & Kim (2016) explored the differences in organizational culture in semiconductor industry and automobile industry in South Korea. The authors further analyzed the impact of organizational culture on job satisfaction and organizational commitment in selected industries. The study found rational culture prevailing in both industries indicating that these industries have effective strategies to cope with environmental changes. The study further reported higher level of job satisfaction and affective commitment in semi-conductor industry and higher level of normative commitment in automobile industry.

Rus & Rusu (2015) explored the organizational culture types in public and private institutions of service sector in Romania. The study revealed that culture at public institutions is mainly bureaucratic in nature with focus on doing things the traditional way and the leadership in such organization's emphasis on structured and standard operating procedures with little interest to changing customer demands. On the other hand, the culture of private institutions is dynamic and competitive which places customer delight as their priority. These institutions keep their employees motivated while emphasizing on their development and growth.

Dwivedi et al. (2014) analyzed the impact of organization culture on commitment of employees working in Information Technology enabled service industry from the regions around Chandigarh, Punjab. The authors collected data from the employees in 15 BPOs by using the instrument developed by Pareek (1997) on OCTAPACE. The study examined the perception of employees regarding organizational culture and level of commitment in different strata's in BPOs and it revealed it has strong relationship and influence between independent and dependent variable.

Shahzad et al. (2013) elaborate organization culture as the key influencer of the performance and establish that a strong organization culture is a great source of high performance and continuous achievements. Every employee's performance improvements plans may work effectively if the organization manipulates organizational culture and commonly share such value system that encourages employee, assures openness, and spreads transparency and fairness. These, decision makers aspiring to have better individuals, as well as teams work performance, must strive to establish an aspiring work culture (Cameron and Quinn, 2011).

These studies surely validate to carryout similar researches in such work environments that remain unattended from the researchers. Therefore, we can form the research objectives and hypothesis as follows:

RESEARCH GAP

In the highly competitive global business process outsourcing sector, the performance of the employees is linked with the work performance. In this scenario the performance of the individuals is highly watched and rated, which are under constant pressure to perform. Workplaces required new performance concepts (Fay & Sonntag, 2010) organizational research addressed a range of interpersonal emotion strategies and management of others emotions (Humphrey, Pollack, & Hawver, 2008).

As theoretical propositions on possible relationships between organization culture and work performance were lacking in the direct influences of the individual's personality and the perceived leadership. Here the researcher attempted an explorative pre-study to examine the direct relationships existed between the selected variables, which this research focuses to contribute.

OBJECTIVES OF THE STUDY

- To analyze organizational culture and its relationship with work performance.
- To assess the influence of organizational culture on work performance.
- To offer suggestions to improve organizational culture this leads to the work performance.
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HYPOTHESES OF THE STUDY

H₀₁: There is no significant relationship between organizational culture and work performance.

- H₁: There is significant relationship between organizational culture and work performance.
 H₀₂: There is no significant influences of organizational culture on work performance.
 H₂: There is significant influences of organizational culture on work performance.

RESEARCH METHODOLOGY

Research Methodology

The research design for this study is descriptive in nature and researcher used quantitative research methodologies. For quantitative research a structured questionnaire was used. A structured questionnaire was designed and was pre-tested before using as a final instrument for collecting the data, and analyzes these to make a critical evaluation of the performance.

Primary data:

The primary data were collected from the employees of business process outsourcing companies in Chennai, questionnaire prepared exclusively for this purpose; this questionnaire contains direct questions in the Likert scale.

Secondary data:

Websites, magazines, articles were used widely as support to primary data as a secondary data source.

Sampling Design and Size:

Researchers targeted all the employees of business process outsourcing companies in Chennai, a detailed study comprising of all employees is an arduous task for an individual researcher. Therefore, to keep the study within the reliable and manageable limits, **SIMPLE RANDOM SAMPLING** was adopted. 280 questionnaires were distributed in the samples, in that 237 respondents were return back, and among that 230 questionnaires were found suitable for the study.

Pre-Testing Procedures (Pilot Study)

Before the survey questionnaire was administered to the respondents, a pre-test of the questionnaire was conducted to test the validity of the questionnaire used for data collection 100 Questionnaires were personally distributed to the respondents, some minor wording modifications to the questionnaire and certain changes were made which enabled the researches to plan the survey effectively and to accomplish the objectives of the study and made as a result of this process.

Reliability:

The internal consistency reliability method was used in this study to determine the reliability of the scale questions by determining the co-efficient alpha. Cronbach’s co-efficient alpha is a measure of the internal consistency of measurement.

Overall reliability of the study is .764

ANALYSIS AND INTERPRETATION

Correlation Analysis between Organization Culture and work Performance.

- H₀₁: There is no significant relationship between organization culture and work performance.
 H₁: There is significant relationship between organization culture and work performance.

Table: 1

| Organization Culture | | Work Performance |
|-----------------------------|---|-------------------------|
| Achieving Goals | Pearson Correlation Significance(2-tailed) | 0.773 0.001* |
| Empowerment | Pearson Correlation Significance(2-tailed) | 0.618 0.001* |
| Managing Changes | Pearson Correlation Significance(2-tailed) | 0.803 0.001* |
| Teamwork | Pearson Correlation Significance(2-tailed) | 0.722 0.001* |
| | N | 230 |

Source: Primary data; *significant at one percent level.

In order to test the relationship, Pearson correlation was applied. From the result it is observed that there is positive correlation between independent variable and work performance. The organization culture i.e. achieving goals have the r value of (r=0.773), empowerment (r=0.618), managing changes (r=0.803) and teamwork (r=0.722) from the p value in the correlation matrix, it is observed that the level of independent variables relationship was significant

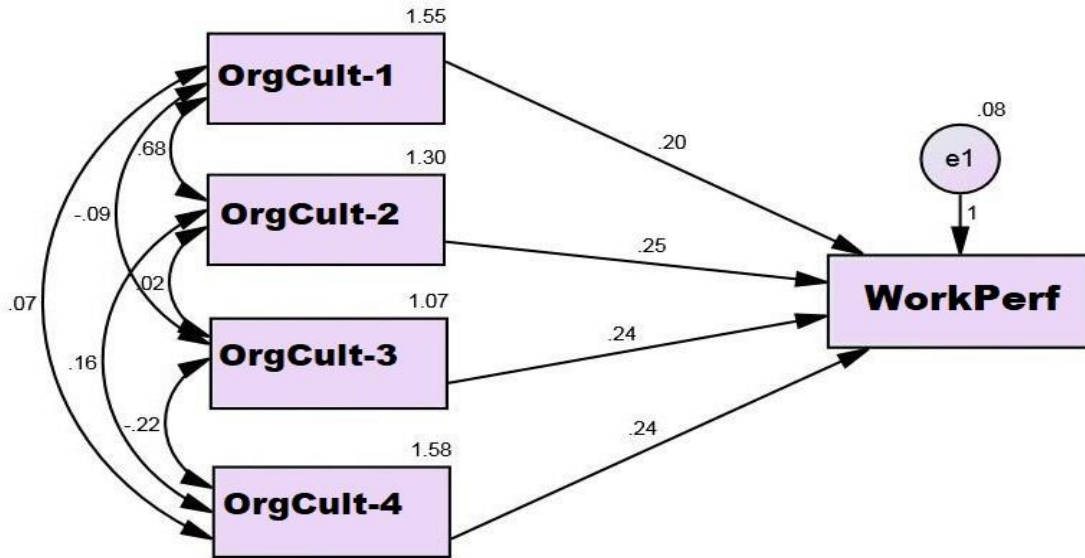
at 0.01 level. Hence the null hypothesis is rejected and the alternative hypothesis is accepted. So, it is concluded that there is significant strong relationship between organization culture and work performance.

Multiple Regression Analysis of Organization Culture on work Performance

H₀₂: There is no significant influences of organization culture on work performance.

H₂: There is significant influences of organization culture on work performance.

Figure- 1.: Multiple Regression Path Analysis



Abbreviation of Variables

| Abbreviation | Variables |
|--------------|------------------|
| OrgCult-1 | Achieving Goals |
| OrgCult-2 | Empowerment |
| OrgCult-3 | Managing Changes |
| OrgCult-4 | Teamwork |
| WorkPerf | Work Performance |

Table- 2- (a): Model Fit Summary

| Model | R | R-Square | Adjusted R-Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| OC | 0.908 | 0.824 | 0.823 | 0.27941 |

The model summary table interprets the R, R², Adjusted R², Standard error of the estimate and model fits. Multiple Correlation coefficients 0.908 is good level of predication. The coefficient of determination as achieving goals (OrgCult-1), empowerment (OrgCult-2), managing changes (OrgCult-3) and teamwork (OrgCult-4) are 82% dependent in work performance.

Table- 2- (b): Regression Weights of Organization Culture on Work Performance

| Regression Weights | Estimate | S.E. | C.R. | P |
|---|----------|------|--------|-----|
| Job Perf <--- OrgCult-1 (Achieving Goals) | .202 | .011 | 19.041 | *** |
| Job Perf <--- OrgCult-2 (Empowerment) | .251 | .012 | 21.604 | *** |

| | | | | |
|--|------|------|--------|-----|
| Job Perf <--- OrgCult-3 (Managing Changes) | .237 | .011 | 20.833 | *** |
| Job Perf <--- OrgCult-4 (Teamwork) | .245 | .009 | 26.057 | *** |

Note: *** is 1% α -significant level

The path diagram represents the organization cultures are like achieving goals (OrgCult-1), empowerment (OrgCult-2), managing changes (OrgCult-3) and teamwork (OrgCult-4). Here multiple regression analysis employed on all four reasons; all are highly significant with work performance.

The squared multiple correlation estimate score is 0.824, though the first and foremost lead is empowerment (OrgCult-2) the estimate value is 0.251. The next lead is teamwork (OrgCult-4) the estimate value is 0.245. The next preference is managing changes (OrgCult-3) the estimate value is 0.237. It has concluded from the analysis, most of the employee’s perceived empowerment in their business process outsourcing (BPO) organization.

Table-2-(c): Covariance of Organizational Culture

| Covariance | Estimate | S.E. | C.R. | P |
|--------------------------|----------|------|--------|------|
| OrgCult-1 <--> OrgCult-4 | .067 | .065 | 1.027 | .304 |
| OrgCult-2 <--> OrgCult-4 | .162 | .060 | 2.694 | .007 |
| OrgCult-3 <--> OrgCult-4 | -.222 | .055 | -4.046 | *** |
| OrgCult-1 <--> OrgCult-3 | -.089 | .054 | -1.656 | .098 |
| OrgCult-2 <--> OrgCult-3 | .019 | .049 | .389 | .698 |
| OrgCult-1 <--> OrgCult-2 | .675 | .065 | 10.322 | *** |

The above table Interprets covariance relationship of organization culture, three relationships only significant the p- value, that is less than 0.01, the positive relationships are (Achieving Goals) OrgCult-1<-->OrgCult-2(Empowerment), and (Managing changes) OrgCult-3<-->OrgCult-4(Teamwork), the estimate values are 0.675 and, 0.162 respectively. Remaining relationships are highly differing from one another. The result is concluded that the (Achieving Goals) OrgCult-1<-->OrgCult-2(Empowerment) and is (Empowerment) OrgCult-2<-->OrgCult-4(Teamwork) variables are in the interrelationship variables.

Hence the null hypothesis is rejected and alternative hypothesis is accepted. From the regression equation, it is inferred that organization culture is positively impacting the work performance in business process outsourcing (BPO) companies in Chennai.

DISCUSSIONS

This study investigates the four dimensions of organization culture and work performance. The earlier literature has affirmed vital connections amongst organization culture and work performance to quit. In particular, however numerous researchers have trained a capable connection between organization culture measurements, findings of this study reveal that especially use of achieving goals, empowerment, managing changes and teamwork among these four sub elements of organization culture measured with regards to the hypothesized association. These outcomes partly diverge from Shamsuddin N., et al., (2014) discoveries that exclusively correlate with work performance. employees are accomplishment with express and appraise their emotions, square measure in an exceptionally position to be higher acknowledged and comprehended by their associates, and therefore, they have the adaptability to create themselves, deal with their vocation way and lead individuals. Moreover, those will expend their feelings to supply numerous & versatile for their future plans, to boost deciding, to encourage ability and to boost persistence against difficult tasks square measure a lot of informative and operative in handling each happiness and quitting situations. Thus, team leaders and managerial level employees with high level of achieving goals, teamwork and managing changes expertise nearly uninterrupted positive attitudes, causation great levels of gratification compared to those that take into account such situations and disappointment, default to expertise the next level of contentment. In a very similar vein, showing experts or superior positions management peoples square measure doubtless a lot of talented to acknowledge, manage and wieldy their emotions to beat obstacles, improve their ability and dignity and eventually, advance their horizon higher than alternative people. Present study provides supporting proof in concert of organization culture elements were unfavorably concerning with work performance. To determine, analysis not merely established the relations between organization culture and work performance, however additionally hut come across the distinct dimensions of organization culture provided that helpful suggestions for administration implications.

RECOMMENDATION FOR FUTURE STUDY

The results of this study open up many possibilities for future studies to build on and develop. Specifically, the main results of the study replicated the findings of previous studies. However, the study chooses only in business process outsourcing (BPO) sector in India, the same study could be replicated in the other service sectors, i.e. Banking, Media, Health Care, Agriculture and Manufacturing sector not only in India but Globally as well. As only key variables, which conformed to the hypotheses, were tested and discussed, it will be important, for further research, to investigate the relationship between relevant sub-dimensions of work Performance. It is further recommended that a similar research can be carried out for all the hierarchies of management. Such kind of research would throw immense light and give a deep analysis, if conducted on lower-level management that how they can be guided to develop their organizational culture and thus enhance their work performance and further rise in the hierarchy

CONCLUSION

From this study, we point out that organizational culture plays important role in business process outsourcing (BPO) sector on work performance. Organization culture enhances work performance and this study demonstrates that business process outsourcing (BPO) employees requires certain level of motivation. In this regard, designing appropriate training programs to improve employee's work culture is worthwhile. Employees have a significant role in society as they interact with the people to transfer their knowledge to them. For transferring knowledge in a proper way, they should be emotionally stable. Business process outsourcing (BPO) employees should have effective skills physically as well as mentally. Organization culture is helpful for performance better, as it would guide them to communicate clearly, lead others in a proper way, which creates productive interaction at work as well as personal life. The different values and beliefs based upon work performance helps in organization association. The organization culture helps in internalizing joint relationship that leads to manage effective organization processes. The productivity and culture of organization helps in improving work performance. The positive association between organization culture and work performance helps in improving results of organization. The organization has strong influences of organization culture as it leads to enhance productivity. In an organization strong culture enables to effective and efficient management of work force employees. The profit in an organization helps in enhancing performance of employees. The common path for making perfect use of resources in same cultural association helps in positive development of organization. On basis of particular conditions organizational culture is helpful in improving and providing competitive edge. The employee commitment and group efficiency help in improving performance based upon organization sustainability.

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