

Role of Organizational Culture on Organizational Performance: An Empirical Investigation

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Abstract

The world is going through rapid changes and so are the organization and to keep face with these changes it is very important to adapt to these changes. One such change that an organization frequently faces is organizational culture. In today's era where diversity is embraced, it is obvious that organizations, every time gets impacted by diversity. For every organization whether big or small it becomes necessary to remain flexible and continuously improve the performance to gain competitive advantages. By improving organizational culture, the company can take the lead and survive in the market for long run. Organizational culture is becoming very important in improving the performance of the company especially when all the businesses are functioning in an uncertain, unpredictable and competitive environment. It becomes important to evaluate the culture of organization to determine the performance of the company. One of the important resource of any organization is its employee and it is very important to determine the mind set, attitude and behavior of employees working in an organization. By determining the behavior and working attitude of employees, organizations can simply measure the performance.

Keywords: Organizational Culture, Organizational Performance, Role of Organizational Performance, Organizational Growth, Behavior and Attitude of Employees

Introduction

Today's fast changing environment is becomes difficult for the organization to operate because of the complexities and inability to predict the changes. These changes some time maybe illustrated to change in work force, changes in technology, Expectations of customer, and competitive edge of the competitor. Many times organization predict this changes and effectively implement then throughout the process but sometimes it become difficult for some organization

to determine the changes and the lose to strike this success. However, it is very difficult to define culture but in aspect of organizational culture, multiple dimensions are provided. Therefore, it can be outlined as believes, values and assumptions shared in an organization. Simply, it can be defined as the mindsets of people working in an organization which ultimately determines the attitude. It can also be mirrored as a common motif, thinking, and feeling of employees. Standards and conventions that dictate how workers should act in a certain organization are part of organizational culture. The workplace attitude and behavior of employees, as well as their loyalty to the company, are governed by the culture of the organization. the context of a specific social group's ideas, conventions, knowledge, practices, and conventionalized behaviour. Every company and organization has a unique personality. Organizations are made up of people, and the corporate culture unites them by providing them with a sense of purpose and a set of norms to live and work by (Bhalla, Nazanen, 2013 and Nayak, Padhi, Barik, Mohanty, Pradhan, 2011).

There is an interesting connecting between Organizational Culture and Organizational Effectiveness. Organizations require both a certain amount of flexibility and adaptability as well as stability, they require, control and discipline as well as a certain amount of freedom and autonomy, they require both logical formal structures and irrational informal relationships. The organization's and its managers' capacity to strike the appropriate balance among these crucial factors, as required by the organization's aims and situation, was a prerequisite for effectiveness. The Company culture significantly influences the organizational and personal goals. Employee morale is increased when company members identify with the culture and like working there. Increase in levels of teamwork, knowledge sharing, and receptivity to novel ideas result from this. The way individuals think and make decisions, both consciously and unconsciously, and ultimately how they perceive, feel, and behave, are all impacted by organizational culture (Aktaş, Çiçek, & Kiyak, 2011 and Leithy, 2017).

Literature Review

According to studies, organizational culture isn't well defined, but most definitions show that shared values, beliefs, and attitudes inside an organization that have an impact on how it operates collectively make up organizational culture. Since there isn't a single, widely accepted definition of organizational culture, it is suggested that organizations should create an environment that can

increase employee motivation, engagement, and momentum because doing so will help them reach their ultimate objective. Employee and organizational performance can be affected by organizational culture. There are eight ways that when combined to form octa-pace culture help define organizational culture. Octopus culture is crucial for the organization's efficiency and effectiveness as well as for the improvement of company performance. The first characteristic of the Octopus culture is openness and risk-taking, which refers to how much freedom employees have in expressing their opinions, how eager they are to take a chance, and how willing they are to attempt something new. Another factor is confrontation, which refers to how individuals in a company proactively approach problems, don't run from them, and collaborate with others who are affected to discover solutions. The third factor is trust, which refers to how much the workers and management rely on one another for assistance, information sharing, and other tasks. It also suggests the ability to believe what others say and do. The fourth factor is authenticity, which explains how staff members establish relationships with others and accept their own emotions. Value is connected with an individual's level of readiness, initiative, and action-orientation. They foresee problems and take appropriate action now or in the future in response to demands. The fifth component of the octa-pace model is proactivity, which measures how ready and willing people are to take on new responsibilities, how action-oriented they are, and how they foresee problems and respond to them. The sixth element is autonomy, which refers to a person's willingness to assert their authority and to urge others to do the same. It should be stressed that employees do have some liberty within the confines of their professional function, The seventh component of the octa-pace model is cooperation, which refers to how well employees cooperate and use one another's assets to accomplish a common objective. It also refers to how they jointly develop strategies, plan actions, and implement those initiatives. The last factor is experimentation, which refers to how inventive people are, how they prioritise trials, and how they explore novel approaches to tackle organizational problems (Kataria, Singh, Lal, 2016 and Jafri, 2012).

In a research it was estimated that organizational culture is also influenced by innovation therefore innovation can be mirror as a culture. Adoption of a novel concept or method within the organization is referred to as innovation. It may be a brand-new technology, service, or product. Innovation and change go hand in hand, whether the transformation is quick or gradual.

Innovation may be defined broadly as the process through which new outputs, like as goods, systems, or processes, are created as well as the application of discoveries and interventions. Innovation is the process of turning opportunities into practical applications, and it can only be deemed innovative when it is really put into effect. The amount of fresh information that is incorporated into an innovation is reflected in its degree of innovation. Firms with stronger innovation capabilities will be able to respond to the environment more effectively and more readily acquire the skills required to improve organizational performance and solidify a long-term competitive advantage. For this reason, it is essential to enhance the company's creative culture so that all of its employees look for new goods, processes, or procedures (Agrawal, & Tyagi, 2010 Wadhawa, Parimoo, 2017).

In a study it was estimated that the organizational culture is directly connected to innovation. To achieve the performances of the organization it is important to integrate consistency and innovativeness in organizational culture. The capacity to ease the coordination of operations is the basis for how organizations cope with acquiring internal integrity, which is covered by the consistency feature. Consistent organisations develop organizational structures and a culture that leads to an internal governance system based on cooperation. This contrast includes integration, consensus and collaboration, and basic values. Sharing a set of values that provide a sense of identity and a clear set of expectations, being able to come to a consensus on important matters, and forgiving one another when disagreements arise are necessary for high scores on this item. Even while well-integrated organizations have inherent advantages, rigidity in these organizations can result in a lack of adaptability and willingness to change. It can result in conflicts between the inner and outer environment. To put it another way, flexibility manages external changes and contingencies. Adaptable organisations transform the demands of the organizational environment into action. They take risks, learn from their mistakes, and possess the knowledge and experience necessary to bring about change. Organisational learning, effecting change, and customer focus are its core values. Businesses that implement innovations are believed to benefit from having a defined objective. The purpose of an organisation can be successfully addressed by an integrated care route or an evidence retrieval system. Task orientation attitude and speaking out for learning has a significant impact on an effective and

innovative work environment (Sharifirad, & Ataei, 2012 and Bhattacharya, Sinha, & Tanksale, 2015).

According to a study there are four types of organizational cultures. The culture of the clan is strong in regards to common principles and objectives, a sense of collaboration and support, and an emphasis on employee empowerment. There are several organizational cultures that place a high value on the family. Priority is given to teamwork, and the leader serves as a mentor. The organization's principal goal is to keep things stable. The success criteria place a high importance on engagement, cohesion, and loyalty. When organizational duties are completed, the adhocracy culture disbands and then quickly comes back together when new tasks are introduced. As long as their actions are consistent with the organization's objectives, people have far more potential to grow under an adhocracy organizational culture. Leaders are businesspeople who are motivated by creativity and the creation of fresh ideas. An organization's objective is to maximise its use of possibilities in the surrounding environment. Success is defined as the ability to create original ideas and innovations. The market culture prioritizes relationships with the outside world above inside management. The organization's goal is to generate revenue through market competition. Market culture is one type of culture that strongly emphasizes the effectiveness of goal attainment. Personal connections become less flexible since it is common for people to compete with one another in order to develop as individuals. Success criteria are determined by a person's objective accomplishments, which are frequently the result of activities that connect the organization with its market or stakeholders. The hierarchical culture is distinguished by its distinctive organizational structure, consistent norms, severe regulations, and well-defined roles. The dominance of regulation, protocol, and method makes this culture easy to recognize. Strong and unyielding regulations must be in place if the organisation is to continue emphasizing stability. The ability of each employee to do their responsibilities in line with protocol and maintain system stability is a need for success (Singh, 2010 and Dorfman, Javidan, Hanges, Dastmalchian, & House, 2012).

Methodology

This study is descriptive in nature in which data is obtained from 175 respondents who identified the organizational culture. In the mix of all people have been covered. A checklist question was

used to analyze and interpret the data. In a checklist question respondents choose “Yes” or “No” for all the questions.

Table1. Role of Organizational Culture on Organizational Performance

	Role of Organizational Culture on Organizational Performance	Yes	%Yes	No	%No	Total
1	Organizational Culture allows free flow of information among the employees	142	81.14	33	18.86	175
2	Organizational Culture helps to indentify the behavior of employees	139	79.43	36	20.57	175
3	Organizational Culture helps to identify the core values of employees	151	86.29	24	13.71	175
4	Organizational Culture allows to cooperate with each other	156	89.14	19	10.86	175
5	Organizational Culture helps to motivate the employees	149	85.14	26	14.86	175
6	Due to sense of identity, organizational culture contributes in the success of the organization	161	92.00	14	8.00	175
7	Organizational Culture increases devotion of employees	155	88.57	20	11.43	175
8	Organizational Culture helps in achieving the desired objectives of the organization	162	92.57	13	7.43	175

Table1 shows that 92.57% respondents agree that Organizational Culture helps in achieving the desired objectives of the organization, while 92.00% respondents agree that Due to sense of identity, organizational culture contributes in the success of the organization. 89.14% respondents agree that Organizational Culture allows us to cooperate with each other while 88.57% respondents agree that Organizational Culture increases devotion of employees. 86.29% respondents agree that Organizational Culture helps to identify the core values of employees, while 85.14% respondents agree that Organizational Culture helps to motivate the employees. 81.14% respondents agree that Organizational Culture allows free flow of information among the

employees while 79.43% respondents agree that Organizational Culture helps to identify the behavior of employees.

Conclusion

Organizational culture has a big impact on how motivated workers are. Culture is meant to be a top-down process. If the governance can understand the relationship indicated above, any organization must provide a cooperative environment. It has been demonstrated that cultural influences distinctly affect motivation. Organizations now have a harder time surviving in a dynamic commercial climate. Among all the challenges businesses face today, motivating employees is the biggest. The most puzzling situation is that, despite some firms' success in motivating employees using a particular method, it typically fails when applied to another organization or group of employees. Organizational culture has a significant impact on success because it offers members of the organization a sense of identity, encourages devotion to its mission, objectives, and goals, and sets standards for member behaviour. As a consequence, all of the organization's members agree upon and share ideas and activities. Similar to this, culture inspires workers to acquire practical knowledge and talents, guides them in respect to the long-term goals and objectives of their companies, instills in them the desire for innovation, and moulds their attitudes towards everything linked to the workplace. As a result, culture enhances an organization's capabilities and effectiveness. Because it fosters loyalty to the organization's mission, objectives, and goals and establishes expectations for member behaviour, organizational culture has a substantial influence on success. The organization's members all concur on and share ideas and activities as a result. Similar to this, culture motivates employees to develop their skills and expertise, directs them towards the long-term aims and objectives of their organizations, fosters an innovation-driven mindset, and shapes their attitudes towards everything related to the workplace. The capabilities and efficiency of an organization are therefore improved by culture.

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