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## **IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE AND BEHAVIOUR: AN ASSESSMENT**

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### *Abstract*

*Today it becomes crucial to set the organizational strategic objectives due to the dynamic nature of organizational culture, its effectiveness and its relationship with employee performance as well as behaviour. This paper basically aimed to assess the impact of organizational culture on employee performance and behaviour. Review of several literatures and researches from libraries are taken as the basis to assess and evaluate the impacts of organizational culture on employees, processes and systems in an organization. Researches highlight that the organizational culture influences the effectiveness, performance, satisfaction and productivity of employees. Different dimensions of culture have been identified so far and the findings of research indicate that value and norms of an organization are based upon the relationship with employees. The objective of an organization is to improve and increase the overall performance level by formulating appropriate strategies.*

**Keywords:** *Organization, Culture, Employee, Behaviour, Performance*

### **INTRODUCTION**

The effectiveness of Organizational development improves the sustainability on the basis of its certain factors and boost the employee morale and feel them more empowered.. The culture of an organization can be improved by its norms, values and

objectives which lead to the improvement of employee commitment as well as the productivity of the organization. The establishment of strong and sound culture in an organization improves the performance level of an employee. The performance of employees can be improve by establishment of a strong and

sound culture of an organization. The employee performance is widely considered as the backbone of an organization which leads to the overall development and performance of the organization effectively. The behaviour of an organization is enhanced by the loyalty of employee that relied upon knowledge and awareness of culture.

### **Objective of the Study**

The main aim of the study is to assess the impact of organizational culture on employee behavior and performance and their inter-relationship based on reviews of some selected researches, articles and studies.

### **Organizational culture**

Organizational culture refers to a system of shared assumptions, values, beliefs and attitude that tend to be manifested in the behavior of its member or people and also guide the way in which its employees think, feel and act. It includes the expectations of organization, experiences, philosophy and its values. These values have a strong influence on employee's behaviour as well as organizational performance. Organizational culture is the outcome of a perception that shared by its all the employees within the organization. Gordon and Cummins (1979) define organization culture as the drive that recognizes the efforts and contributions of the organizational members and provides holistic understanding of what and how is to be achieved, how goals are interrelated, and how each employee could attain goals. As explained by Schein (1985), it is developed through the organisation's attempts to solve its problems of internal integration and external adaptation. Organizational culture plays a dominant role in producing and shaping the distinct respective behaviour styles from individual employees, workgroups, and businesses. It is considered as a powerful force to build a standard way of conduct among the employees and defining the boundaries of what can or cannot be done.

Moreover, it ensures the existence of peace, strength and a strong relationship between the employees during their interaction. Zain *et al.* (2009) examined the effect of four dimensions of organization culture namely teamwork, communication, reward and recognition, and training and development on employee performance and found that all the four dimensions of organization culture were important determinants of performance. Organizational culture will relate to each area of employee performance with a significant contribution to organizational culture. The service and quality provided will be strongly influenced by the performance culture. Organizational culture will play a role in driving employees' innovative behaviors, as organizational culture builds commitment among members in the belief of innovation embedded within the organization. Committed employees are always willing to put in extra effort and creativity on behalf of the organization (Nurmantu, 2007). Improve the productivity in organizations and increase competition to make profit will not be achieved except by attention to the organization culture. (Mohammad, 2020) The development of organizational culture driven by core values and given theoretical argument establishes a link between the organizational culture and its components with the performance of this company. (Mohsen, A Neyazi, N, Ebtakar, S, 2020). Several dimensions of organizational culture can be seen.

**Innovative:** This type of culture is basically adoptable and flexible by nature. It also emphasize upon the experiment with new ideas. This practice boosts the creativity and enthusiasm among the employees.

**Aggressive:** This culture concentrates and gives the value of competitiveness and the outperforming competitors but it may avoid the area of corporate social responsibility.

**Outcome-oriented:** This type of culture holds the employees accountable for success and provides rewards to the employees for good performance

**Detail-oriented:** Under this culture, attention is given to the details of every aspects of the concern from recruiting of employees to sending report to shareholders. It emphasizes on precision of employees by giving importance on analytical thinking, time management, active listening and observation power.

**People oriented:** This culture is emphasized upon the fairness of value, supportiveness, and recognition of individual rights. These organizations believe in that the greatest assets of their organizations are people. Moreover, these companies develop an atmosphere where work is full of entertain and fun. In these organizations, respect and dignity towards the people are given high priority.

**Team oriented:** Organization having team oriented cultures are collaborative and emphasizes upon co ordination and cooperation among the employees. Companies with team-oriented cultures are collaborative and emphasize upon coordination and cooperation among employees. A positive relationship can be observed with their co-workers and with their managers.

**Stable:** This type of culture is featured with rule-oriented, bureaucratic and also predictable by nature. These organizations have always given importance on the coordination of individual efforts and on highest level of efficiencies. These organizations aim to coordinate and align individual effort for greatest levels of efficiency. Stable environment with certainty provides constant levels of output effectively.

#### **Employee behaviour**

Employee behaviour can be explained as the way in which employees respond and react to specific circumstances or situations in the workplace. While different elements ascertain an individual's behavior in the

workplace, employees are shaped by their culture and by the organization's culture. Organizational competitiveness is directly influenced by the employee behavior. In order to establish and maintain a healthy work culture, employees are expected to behave gently and sensibly with proper manner. The reactions of employees to a particular situation, pattern of working at workplace on a regular place, overall policy extent the employee work behaviour. It is obvious that each employee should behave with proper responsibly for the betterment of business, organization, customers and probably of their own. Employees always accepts the organizational policies, and advocates organization's goods and services with positive words and behaviours and helps to maintain healthy, positive working environment, respects organizational value system, working pattern and organizational decisions positively (Gautam,P.K, 2020).

#### **Employee performance**

Employee performance is described as an individual results depended on the size and behavioral procedures for job related and which followed to result, particularly behavior which can change the surroundings in certain procedures. According to Bayley (1991), Employee performance is a verification of the outcomes constructed in a definite job activity or function during particular time period correlated with organizational goals. The degree of an achievement to which an employee fulfills the organizational mission at workplace is called performance (Cascio, 2006). Employee performance is considered as an integral part of the growth process of an organization, it fosters employee commitment towards the organization. Employees align their goals and objectives with those of the organization and feel responsible for the overall well-being of the organization. As their efforts are in turn appreciated by the management and suitably rewarded, they

have immense job satisfaction. In such situation, employees are committed to achieving their goals and thus have a positive effect on the overall performance of the organization. Employee performance is the ability of an employee to achieve a specified task measured against predetermined standards of accuracy, completeness, cost and speed. Employees are the blood stream of any business and are the most valuable assets of every organization as they can make or break the organization's reputation and can adversely affect profitability. The culture and performance have been interrelated to each other based upon perfect association between business processes. The culture construct based upon operational complexity, has its basis towards different business processes.

**Job Stress:** job stress is taken from a condition of job environment which shows threat to anyone or individual. Some organizations may require achieving a certain work level, while their employees might be incapable to manage assigned works. Job stress has been identified generally as a social issue (Mizuno et al., 2006) which has a mixture of components which interrupts the workers psychologically and physically

**Motivation:** Motivation is described as the desire or willingness to perform something, stated by the activity or the capability to satisfy some requirements. The motivated employees belong to self-satisfied manners, self-achievement and commitment which are expected to create better work quality and respect to the organizational policies which extensively will materialize competitive advantage and efficiencies.

**Communication:** Communication refers to the act, contact or double interacts among the individuals in delivering information, meanings and understanding. Good internal communication leads to stronger employee engagement and therefore better organizational performance. Absenteeism, lower

productivity, frustration and higher employee turnover are the results of lack of communication.

**Training and Development:** Employee training in organisations is a tool by which employers can shape employees' competencies and develop their potential. It is a systematic process of changing work behaviour and level of competencies (Urbancova, H, Vrabcova, P 2021). Training contributes a significant role in the growth of employee's performance. Those employees who attend the more training and development program need less supervision and direction. Training is justified for the employees as the success of organization depends on the worthy performance of personnel. By enhancing skills and knowledge of the employees through proper training, the organization improves work quality, increase organization productivity and effectiveness.

**Interrelation between organizational culture and employee performance and behaviour**

The culture and performance have been interrelated to each other based upon perfect association between business processes. The culture construct based upon operational complexity, has its basis towards different business processes. Linkage between Organizational Culture and Employee Performance Culture is largely invisible to individuals just as the sea is invisible to the fish swimming in it. Even though it affects all employees' behaviours, thinking, and behavioral patterns, individuals tend to become more aware of their organization's culture when they have the opportunity to compare it to other organizations (Amah, 2009). The culture of an organization sets the rules for employee behavior and guides the actions and behavioural patterns of the employees within the organization. Generally the organizational culture focuses on employee centricity, teamwork and continuous process improvement. The competitiveness of the organization is

actually reflected in its culture. A positive culture in the organization promotes healthy development of the organization which also mobilizes the performance of the employees, and makes them work with more enthusiasm. Researchers found a relationship between organizational culture and employee performance, with respect to success indicators such as revenues, sales volume, market share, and stock prices leading to realization of the organizations goal. It is important to have a culture that fits with the demands of the company's environment, so that it can improve the shared values of the company and also propel employee performance. organizing function to enhance employee performance and promote the realization of the organizational goals. Several researches have carried on to find out the way to optimize employee performance with a view to realize organizational goal have taken place in the past two decades. It has been argued that strategic group membership and associated collective behaviours are the primary sources of durable differences in firm profitability and effective employee performance (*Caves and Porter, 1977*). This implies that the collective behaviour of organization members which culture helps to control is important to its effectiveness. In relation to this argument, *Glasister and Buckley (1998)* identified organizational culture as one of the factors responsible for organizational effectiveness and employee performance. Six dimensions organizational culture viz. power distance, collectivism, uncertainty avoidance, masculinity, long term orientation and indulgence versus restraint affect the functioning of the organization as well as the behavior and performance of the employees. Openness, confrontation, collaboration, communication, trust, autonomy etc. are such factors of organizational culture that deeply affect the employee involvement, control their behavior and increase the performance level of the employees.

Additionally it transform the employees' self-interests into something bigger which coincides with the organizational goal. organizational culture considered as one of the core determinants of the organizational success as it influences employee work behaviour and performance.

#### **Concluding Remarks:**

The different values and beliefs based upon employee performance help in organization's association. The organizational culture helps in internalizing harmonious management and employee relationship that leads to effective organizational performance. The productivity and culture of organization helps in improving performance. *Amah (2009)* concluded in his studies that organizational culture and employee performance have a significant relationship. The positive association between culture and performance helps in improving results of an organization. The norms and values of organization, based upon different cultures influence on work force, have increased the output of the work force. The attributes of organizational have significant positive influence over the performance of employees. organizational culture is an open system approach which has interdependent and interactive association with employee's performance. (*Wambugu L.W, 2014*) Organization culture and the employee performance show a significance correlation (*Sheridan, 1992*) and all the elements of organizational culture influence the employee performance positively and are statistically significant except in the case of Managing Change. In an organization, strong culture enables effective and efficient management of work force. Existence of positive association between culture and performance is useful to improve the overall results of organization. Employees' performance can be enhanced in a better way than what has expected by adopting individualism



work culture and nurture a sense of ambition in the mindset of employees at work (Jie, Djubair, 2020). Performance of employees and productivity can be improved and grown by increasing the amount of net profit. Different cultures developing and operating in the same company can also impact on employees overall performance and behavior. The culture of an organization binds together and provides a direction for the enterprise. The organizational culture relating to the widest range of staff performance is being work environment, and other dimension relating to the treatment of staff like supervision, job security etc. It is also related with different outcomes, such as commitment to the concern, job satisfaction and turnover intention (Priyadharsan, Nithiya, 2020). In order to sustain high standard of performance the employees should be effectively motivated, offer rewards and incentives scheme recognition and opportunities for realizing various individual goal and creations of aspirations which are not possible without a sound corporate culture. Employees should be involved in the process of goal setting. Proper strategies should be framed regarding this aspect. Values in the organizational culture make the employees feel and consider themselves as a part of the organization and stimulate them to behave and perform well towards the attainment of organizational goals.

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