Impact of Organizational Culture on Employees' Performance in Workplace:
A Study with Reference to IT Sector in Bhubaneswar)

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ABSTRACT

Satisfied employees with their valuable contribution have orchestrated the milestone of every excelling business organisation. Organisational culture is complex in nature and which is formed in divergent ways, it might be created by the challenges and obstacles of organisation, it may perhaps be the creation of the management and employees working in the organisation culture intentionally. Culture of the organization is somewhat that can predominantly influences the employees' performance in the workplace. The main objective of this article is to study the types of cultures prevailing in several IT organisations and to study the relationship between organizational culture and organizational performance. The statistical tools like Descriptive research design was adopted in this study. Totally 230 IT employees has respondents were selected to fill the questionnaire for this study. Findings of this study are only related to the IT employees from Bhubaneswar.

Keywords : Organizational culture, Organizational performance, IT sector
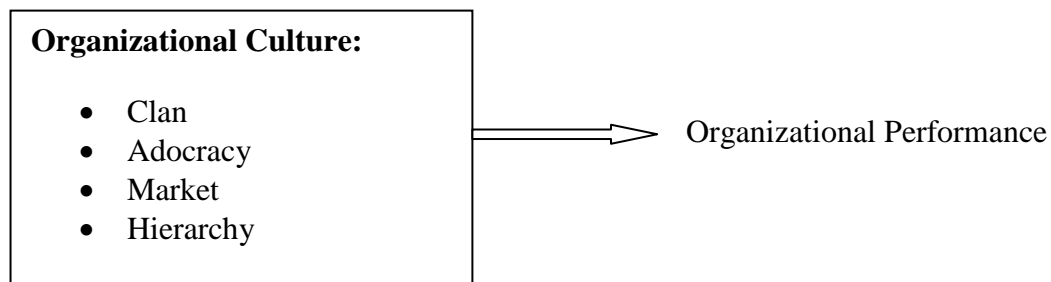
INTRODUCTION

The term culture is composed of a set of values, customs, beliefs and behaviors that are commonly adopted by the society. Hofstede in 1991, defined in his study that the Organizational culture is "a collection of values, beliefs and norms shared by its members and reflected in organizational practices and goals". This definition gives an idea that it facilitates the progress in creative talent, testing and risk enchanting. The main aim of this article is to study

the several types of cultures prevailing in IT organisations and to study the relationship between organizational culture and organizational performance. Ouchi in 1981 examines that there is a positive relationship between organisational culture and performance. culture has been set up as a main factor to be considered through in organizational life along with its positive impact on the success of the organizational performance.

Hasan, Ali and Hamid Taghiloo(2011) explored four types of organisational cultures and it showed how it shapes the organisations and employees performance. Results through analysis revealed that there is a significant relation between organisational cultures and learning organisations. Further the study has revealed that the clan culture has shown a high correlation coefficient, but adhocracy culture has the maximum grade among different types of cultures. The rational culture includes external activities and based on planning and setting of goals which has helped to achieve the output effectively and efficienctly. This form of organsitional culture is known as a rational culture as it highlights on outcomes and aims at fulfillment according to Denison and Spreitzer in 1991. The Group culture or individual relation involves instructions and the extension of human resources are utilized to accomplish consistency and employee spirits. The hierarchical culture enforces a internal focus in organization and announcements are also used to categorize and achieve fairness and control in the organization. This form is known to as a 'hierarchical culture' because it includes the implementation of standard principles, organizational values, and concentration on technological perspective. The study found that the industry has been won by companies as clan and hierarchy type of organizational culture. In total, the analysis reports revealed that the organizational culture differs in terms of firm's, volume, and era. In current times organizational culture and dedication of the workforce is the major part to be considered by the organisation for its development. Employees are treated as the assets of an Organization. Retaining the employees in today's firms is difficult as their level of expectations are high towards culture of work place and work life . so that they demand a balanced work schedule and healthy work environment. It boosts the morale, commitment and enthusiasm of the employee if a suitable work environment is available with them. The employee can deliver best in his workplace if their role is clearly defined. A healthy organisational culture and performance among the employees can be achieved with proper culture planning, team support, employee encouragement and good training.

In this study, IT industries are being chosen because it has contributed significantly to the growth and GDP of India in last three to four decades thus it is booming sector of the country that is currently experiencing in Economy. In addition to that, previous studies have largely focused on the developed economy. Hence, this study is significant in contributing to the managerial literature in the developing countries context, specifically in India.

Proposed Model

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┌──────────────────────────────┐
│ Organizational Culture:      │
│                              │
│   • Clan                     │
│   • Adocracy                 │──────────▷  Organizational Performance
│   • Market                   │
│   • Hierarchy                │
│                              │
└──────────────────────────────┘
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OBJECTIVES OF THE STUDY

• To explore different types of culture prevails in IT organization.

• To study the relationship between organizational culture and organizational performance of employess in IT organization.

HYPOTHESIS

HO: There is no positive significant relationship between organizational culture and organizational performance.

H1 : There is a positive significant relationship between organizational culture and organizational performance.

RESEARCH METHODOLOGY

This present study attempts to study the types of culture prevails in an organization and to test the significant relationship between organization culture and employees' performance. The data were collected through structured questionnaire. Analytical and descriptive type of statistical methods were used. The study depends on both primary and secondary data.

AREA OF STUDY

Organisational culture and its impact on performance is relevant in IT industries as it consists of multi culture environment in the workplace. Therefore, the research was conducted in different

IT companies to know the types of culture and it's impact on employees' performance. The study covered different IT companies in Bhubaneswar, Odisha.

SAMPLING SIZE AND DESIGN:

The data were collected through primary source of questionnaire survey . Survey was conducted directly and through electronic mail through structured questionnaire. Convenience Sampling has been done for generating data. Totally 260 Questionnaires were distributed and 250 collected out of which 230 completed questionnaires were found useful for data analysis.

QUESTIONNAIRE DESIGN:

The primary data were collected through questionnaire survey. The respondents were asked to give their opinions on organizational culture, employee commitments and the performance of the employees. The first part of the survey comprises of employees' demographic details and the next part consists of questions relating to organizational culture, and performance with 5 point Likert's scale.

DATA ANALYSIS:

PERCENTAGE ANALYSIS

The demographic variables of the employees were being calculated by percentage analysis.

Table 1 : Demographic variables of the respondents

Demographic	Variable Frequency	Percentage
Age Group		
Below 25	34	14.8
26-35	88	38.3
36-45	83	36.1
46-55	22	9.6
Above 55	3	1.3
Gender		
Male	131	57
Female	99	43
Years Of Experience		
Below 1 year	91	39.6
2-5 years	92	40.0

6-10years	33	14.5
11-15years	13	5.7
Above 15 years	1	0.4
Monthly Income		
10,000-25,000	90	39.1
26,000-35,000	77	33.5
36,000-45,000	49	21.3
46,000-55,000	13	5.7
Above 55,000	1	0.4

Inference: From the above table 1 it was found that out of 230 respondents.14.8% of them are in the age group of below 25, 38.3% of them are having age 26-35 years,36.1% of them are having age 36-45years ,9.6% are having age 46-55 years, and 1.3% are in the age group above 55 years. The table 1 shows that out of 230 respondents, 57% of the respondents are male and 43% of the respondents are female. It is observed that most of the respondents are male. Out of 230 respondents, 39.6% have below 1year of experience,40% of respondents have 2-5years of experience,14.5% of respondents are of 6-10 years of experience,5.7% are of 11-15years of experience and 0.4% are above 15years of experience. As per the data collected out of 230 respondents 39.1% are having monthly income of 10k-25k, 33.5% are having monthly income of 26k-35k, 21.3% are having 36k-45k income, 46k-55k having monthly income of 5.3 % and 0.4% are having above 55k of monthly income.

MULTIPLE REGRESSION ANALYSIS

Multiple regression1 is a dominant procedure used for predicting the unidentified value of a variable from identified value of two or more variables. Mutiple regression analysis is mostly used when there are more predictions and also when there is continuous dependent variable from more independent variables. In multiple regression there will always be one dependent variable and more independent variable. In the variable when the value is identified it is called dependent variable and the variable which is unidentified it is called independent variable. It is intended to inspect the relationship of a variable Y to a set of other variables X1, X2, X3……… ….Xn. the most commonly used linear equation in Y=b1X1 + b2X2 +……+ bn Xn + b0. Here Y is the dependent variable, which is to be found. X1, X2… and Xn are regarded as the known variables

with which predictions are to be made and b1, b2….bn are coefficient of the variables. In this study, the dependent variable is organizational performance; Independent variables and analysis are discussed as follows:

Dependent variable :   Organisational performance(Y)

Independent variables :   1. General organizational culture (X1)

                                     2. Clan culture (X2)

                                     3. Adhocracy culture (X3)

                                     4. Hierarchical culture (X4)

Multiple R value :   871a

R Square value :   0.75

F value :   176.592

P value :   .046, .000, .002, .003, .000

Table 2: Multiple Regression Dependent Variable: Org. Performance

Model Summary			
Model	R	R Square	Square Std. Error of the Estimate 1 .871a .758 .754
1	.871a	.758	.45683

Independent Variable : Organizational culture in general, Clan culture, Adhocracy culture and Hierarchy culture

a. Predictors: (Constant), General culture_ Total, Clan culture_Total, Adhocracy culture_Total, Hierarchy culture_Total.

b. Dependent Variable: Organisational Performance

R is the correlation, Its value is 0.871 and R square is the degree of determination, its value is 0.758.The degree of determination in table shows the extent to which factors like organisational culture in general, Clan culture, Adhocracy culture and Hierarchy culture have an impact the organizational performance.

Table 3: ANOVA b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	147.418	4	36.855	176.592	.000a
	Residual	46.957	225	.209		
	Total	194.375	229			

a. Predictors: (Constant), General culture_ Total, Clan culture_Total, Adhocracy culture_Total, Hierarchy culture_Total.

b. Dependent Variable : Organisational Performance

The above ANOVA table-3 shows that the significant value is less than 0.01, Which means dependent variable organizational performance is significantly predicted by independent variables such as Organisational culture in general, Clan culture, Adhocracy culture and Hierarchy culture.

TABLE 4 : SHOWING VARIABLES IN THE MULTIPLE REGRESSION ANALYSIS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
1.		B	Std. Error	Beta		
	(Constant)	.306	.152		2.008	.046
	OC_TOTAL	.576	.064	.585	9.027	.000
	CC_TOTAL	.207	.067	.230	3.113	.002
	AC_TOTAL	-.196	.064	-.159	-3.051	.003
	HC_TOTAL	.312	.067	.239	4.663	.000
a. Dependent Variable: Org.Performance_Total						

OC_total- Organisational culture, CC_Total- Clan culture, AC _culture- Adhocracy culture, HC_total-Hierarchy culture.

RESULTS AND DISCUSSION

From the above percentage analysis table it was found that out of 230 respondents the highest percentage of 36.1% comes under the age group of 36-45years. It is also found that 57% of the respondents are male and 43% of the respondents are female. It is observed that most of the respondents are male. From the 230 respondents 40% of respondents have 2-5years of experience and rest are splinted. 39.1% are having monthly income of 10k-25k, 33.5% are having monthly income of 26k-35k, and 0.4% are having above 55k of monthly income.55k monthly income are very less percent when compared to the other cadre incomes.

The above multiple regression table results shows that the test was conducted to analyze the significant relationship between organizational cultures and organizational performance. The table highlights the organizational culture (Beta=0.585 for standardized coefficients)positively impacting the performance as the P value is lesser than 0.05.Clan culture (Beta=0.230 for standardized coefficients) positively signifies the performance as the P value is lesser than 0.05.Adhocracy Culture (Beta= -0.159 for standardized coefficients)negatively signifies the organizational performance as the P value is lesser than 0.05.Hierarchy culture (Beta=0.239 for standardized coefficients) positively significant with the performance as the p value is lesser than 0.05.

The outcome of the variables as organisational culture in general, Clan culture, Adhocracy culture, Hierarchy culture on organizational performance is reflected in the regression equation ,

Organisational performance=0.306+0.585(org.culture in general+0.230(Clan culture) - 0.159(Adhocracy culture)+ 0.239 (Hierarchy culture)

A unit increase in the Organisational Culture results in the Organisational performance by 0.585. Similarly for the Clan Culture, Adhocracy Culture, Hierarchy Culture.Significant constant shows that even in the absence of factors influencing Organisational performance positive impact on the performance.Coefficient of R^2 infers that the changes in the Organisational performance is explained by the factors to the extent of 75% i.e $R^2 = 0.75$

Significant F-Statistics reveals the validity of the fitness of the regression model.

CONCLUSION

From the findings it was concluded that the organizational performances in IT Sector were dependent on various factors. It has also been found that organizational culture in general and different types such as clan culture, hierarchy culture have a positive impact on performance and adhocracy has negative impact. Thus, according to the study results obtained from the employees working in the organization. Special attention should be given to organizational culture and thereby improve the performance of their employees.

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