

Organizational Corporate Culture on Employee Performance

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Abstract: This research paper measures empirically the effectiveness of organizational corporate culture on employee performance as well as Employee's productivity using Indian banking industry. We try to analyze if organizational corporate culture affects employee's work performance, and to formulate suggestions regarding corporate sector culture and employee's performance. To obtain the above objectives, the some of the research questions were asked: Does corporate sector culture have any impact on employee work performance? And how does organizational corporate culture influence in employee job performance? Two hypotheses were framed: (i) There is no positive relationship between organizational corporate culture and employee's work performance, and (ii) There is no positive relationship between corporate sectors organizational culture and organizational productivity in Indian banking industry through survey method. Samples were selected using stratified random sampling and simple random sampling methods; while our sampling respondents were selected using simple random sampling method. The findings are that a large number of respondents almost more than half of the respondent strongly agree that organizational corporate culture has influence on employee work performance, and that nearly half of the employees also agree that culture of corporate sector determines the level of productivity of the organization.

Keywords: Employee, Performance, Job, Organization, Corporate Culture and Environment Impact

I. Introduction

Good organizational culture creates good society as well as good citizens. So the impact of culture plays a major contribution in any society. Organizational culture is the 'binder' that combines people together and makes them part of the organization experience. A strong corporate culture refers to how broadly and steeply employees hold the company's strong values and beliefs. Organizational culture guides the sense-making process. It aids employees understand what happens and why things happen in the organization. Culture of corporate also makes it simple for them to understand what will be expected of them and to join with colleagues who are well versed with the culture and believe in the organization. People are constantly surrounded by culture. It forms the strong background of working area, coloring everything in an organization. Organizational culture also gives a powerful tool for regulating behavior by affecting how we attach benefit to our world and how we perceive events.

II. Objectives of the Study

Primary objectives

The main objective of this study is to measure the influence of corporate culture on employee's job performance.

Secondary objectives

- To ascertain if the culture of organization impact on (i) employee job performance
- To find the relationship (ii) between corporate culture and employee job performance
- To formulate suggestion on iii. Culture of Corporate sector and employee job performance

Research Questions

This study is keen towards giving answers to the following questions:

Whether the corporate culture has impact on i. employee job performance?

In how does corporate culture influence ii. Employee's job performance?

Research hypothesis

The following hypotheses are advanced and will be tested in this study.

Hypothesis 1

H0: There is no positive relationship between culture of corporate and employee work performance in Indian banking industry

H1 There is a positive relationship between culture of corporate and employee job performance in Indian banking industry.

Hypothesis 2

H0 There is no positive relationship between culture of corporate and Employees productivity in Indian banking industry.

H1 There is a positive relationship between corporate culture and organizational productivity through employees in Indian banking industry.

III. Methodology

This section concentrates on the research techniques opted and used for this paper with the help of achieving the research purpose.

To this study survey research design is adopted. Survey research design was chosen because the sampled members and they are without making any attempt to control them.

The population of the study consists of the whole workers of the banks at Chennai banking sector in Tamilnadu, The choice of Chennai banking sector from the fact that the Headquarter Offices of Indian's banks are located in Tamilnadu state and that there is concentration of banks in Chennai with over 25 percent of the branches of these banks in southern part of Chennai alone. For coverage and minimum cost, stratified sampling was used. Indian's banks were stratified into two sub division based on the year they were established. Thus we have 'old-conventional' generation banks and 'new-modern' generation banks. Two banks were selected from each stratum. Bank Employees in selected banks were sub divided into 3 strata: office assistant, senior employees, and junior employees a simple random sampling was to select total of 110 employees that include our sample size (88). It should be highlighted that minimum monetary resources at the researcher's disposal could not allow or permit for a greater sample size.

Every research work has a based on data collection. Purpose of data collection is to assure that the needy data are collected accurately and reasonable cost. Primary source of data collection was used in this paper. The primary data include some structured questionnaire that was framed and received answer from the respondents. The questionnaire has headed "Corporate Culture and Employee Job Performance Questionnaire." However, only 88 out of 110 respondents answered properly on their questionnaire and were aid for final analysis in this paper. To achieve the above objectives of this research paper, degree of coverage, logicity and adaptively for prospective respondents A pilot test(pre study) which took the term of test-retest method was made at the branches of selected banks in chennai, Tamilnadu State where 10 workers from each of bank branches were selected by purposive sampling method. This pre study was informed by the reason that it is the place (city) where the researcher is living with a fair concentration of the branches of the banks studied conveniently. Primary Data collected from the questionnaire were examined, summarized, and interpreted accordingly with the help of descriptive statistical techniques such as total, cumulative percentage and simple percentage. Chi square used to measure the discrepancy between observed and anticipated frequency and to prove the level of significance in testing mentioned hypotheses.

The formula of chi-square is:

$$\text{Chi square} = \sum (O - E)^2 / E$$

IV. Data Presentation and Analysis

Table 1

Sex Distribution of Respondents

Respondent sex			
Gender	Frequency	Percentage (%)	Cumulative %
Male	63	71.6	71.6
Female	25	28.4	100
Total	88	100	

Interpretation

The table above shows that 63 (71.6%) of the respondents are male while 25 (28.4%) are female. The information about years of working in the organization as it will reveal about awareness of respondent in organization and its activities. Respondent number of years working experience

Table 2
Respondent number of years working in the organization

Years of experience	Frequency	Percentage	Cumulative %
Below 5 years	29	32.95	32.95
6-10 years	31	35.23	68.18
11-15 years	12	13.34	81.82
16-20 years	16	18.18	100
	Total 88	100	

Interpretation

This table shows that 32.95% of the respondents have worked in the organization for less than 5yrs while 35.23% of the respondents have worked in the organization for 6-10yrs, 13.34% have worked in the organization for 11-15yrs and 18.18% of the respondents have worked in the organization for 16-20yrs.

Table 3

Does organizational culture determines the productivity level of organization?

Organizational culture determines the productivity level of organization

Level of acceptance	Frequency	Percentage	Cumulative %
Disagree	3	3.41	3.41
Undecided	2	2.27	5.68
Agree	39	44.32	50
Strongly Agree	44	50	100
	Total 88	100	

The table above shows that 3.41% of the respondents Disagree and 44.32% of the respondents agree that organizational culture has effect on employee job performance. Also, we have 2.27% of the respondents who are undecided, and 50% of the respondents who strongly agree that organizational culture has effect on employee job performance.

Table 4

Is there any positive relationship between organizational culture and employee job performance?

There is a positive relationship between employee's job performance and culture of organization.

Level of acceptance	Frequency	Percentage	Cumulative %
Strong Disagree	3	3.41	3.41
Disagree	7	7.96	11.36
Undecided	10	11.36	22.73
Agree	43	48.86	71.59
Strongly agree	25	28.41	100
	Total 88	100	

Interpretation

From the table above, 48.86% of the respondents agree, 28.41% of the respondents strongly agree, 11.36% of the respondents are undecided, 7.96% of the respondents disagree and 3.41% of the respondents strongly disagree that there is a positive relationship between organizational culture and employee job performance.

Table 5

Positive Relationship between Organizational Culture and Organizational Productivity

Level of acceptance	Frequency	Percentage	Cumulative %
Strong Disagree	4	4.55	4.55
Disagree	7	7.95	12.5
Undecided	7	7.95	20.45
Agree	44	50	70.45
Strongly agree	26	29.55	100
	Total 88	100	

Interpretation

This table reveals that 50% of the respondents agree and 29.55% of the respondents strongly agree that there is a positive relationship between culture of the organization and its productivity, we have 7.95% of the respondents who are undecided, 7.95% of the respondents who disagree and 4.55% of them strongly disagree.

Test of Hypothesis

Until a hypothesis has been tested and checked, it is very crucial in a research against available data and it is nothing more than a guess. There are various statistical tools that can be use for testing of hypotheses but this will be limited to chi-square tool.

Chi square test is goodness of fit to assess whether a particular set of observation is reliable for which has been collected. Chi-square (χ^2) is calculated using this formula:

$$\chi^2 = \sum (O - E)^2 / E$$

Where: S = Summation

O = Observed frequency

E = Expected frequency

Hypothesis 1

H0 There is no positive relationship between culture of organization and job performance.

H1 -a positive relationship between organizational culture and employee job performance

Table 6
Test of Hypothesis one

Observed(O)	Expected(E)	O-E	(O-E) ²	(O-E) ² /E
3	17.6	-14.6	213.16	12.11
7	17.6	-10.6	112.36	6.384
10	17.6	-7.6	57.76	3.28
43	17.6	25.4	645.16	36.66
25	17.6	7.4	54.76	3.11
				Total 61.54

Decision rule: Accept H1 and reject H0 if calculated value is greater than tabulated.

Calculated $\chi^2 = \sum (O - E)^2 / E = 61.54$

Degree of freedom "d.o.f" = n - 1

Where n = number of rows

Therefore, d.o.f = 5 - 1 = 4

Tabulated (χ^2) = At 0.05% level of significance, the table value of chi-square ($\chi^2_{(4)}$) is 9.488.

Decision

Accept H1 and reject H0 if calculated value is greater than tabulated

This indicate a positive relationship between organizational culture and employee job Performance

Table 7

Hypothesis 2

H0 No positive relation between culture of the organization and its productivity.

H1 positive relationship between culture of the organization and organizational productivity.

Test of Hypothesis two

Acceptance level	Observed(O)	Expected(E)	O-E	(O-E) ²	(O-E) ² /E
Strongly Disagree	4	17.6	-13.6	184.96	10.51
Disagree	7	17.6	-10.6	112.36	6.38
Undecided	7	17.6	-10.6	112.36	6.38
Agree	44	17.6	26.4	696.96	39.6
Strongly Agree	26	17.6	8.4	70.56	4
					Total 66.88

Decision rule: Reject H0, where χ^2 calculated is greater than χ^2 tabulated, otherwise accept H1

Calculated (χ^2) = $\sum (O - E)^2 / E = 66.88$

Degree of freedom "d.o.f" = n - 1

Where n = number of rows

Therefore, d.o.f = 5 - 1 = 4

Tabulated (χ^2) = At 0.05% level of significance, the tabulated value of χ^2 for 4 degrees of freedom is 9.488

Decision: Reject null hypothesis H0, where χ^2 calculated is greater than χ^2 tabulated, otherwise, accept alternative hypothesis H1.

The above decision indicates positive relationship between organizational culture and organizational productivity.

V. Findings

- A Majority of respondents (50%) strongly agree that corporate culture has effect on employee's job performance.
- 48.86% of the employees also agree that corporate culture decide the productivity level of the organization.
- This paper further shows that there is a positive relationship between corporate culture and employee's job performance. This proved in the first hypothesis tested in which the calculated value of chi-square 61.54 is greater than the table value of 9.488.
- There is also a positive relationship between organizational corporate culture and organizational productivity. The calculated value of chi-square 66.88 is greater than the tabulated value 9.488 and accept alternative hypothesis two and reject null hypothesis two.

VI. Suggestions

- The suggestions are made to the bank management and other organizations that are interested in changing their culture in order to develop their employee's job performance.
- Every individual has distinct beliefs and culture that he works with when joins in an organization that has a utterly different culture and attitudes from his own, he should be allow to adopt himself first with the organization's culture and values to know whether he can pick up or not. The ability of employee is to learn with the organizations culture that will determine how he will perform on his job.
- In cases where an organizational culture needs to be changed, employees must first of all be informed and made to learn the change of the existing culture as this will impact their performance.
- The culture of the Organization must be blending on all staff member of the company as this will improve uniformity among members of the organization and thus highlight commitment and group efficiency in terms of organizational productivity.

VII. Conclusion

In this paper, the research person to look at the impact of corporate culture on employee work performance with evidence from Indian banking industry. Questionnaires were framed to respondents were randomly selected from selected sample banks to find out their views on corporate culture has an impact on employee job performance. What we reduced from this paper and corporate culture is vital in every organization and that it has positive impact on employee's performance. The culture of the corporate will affect the level of organizational productivity in a positive way. This paper reveals that there is a positive relationship between culture of the organization and job performance.

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