

Impact of Organization Culture on Employee Performance: A Study on Employees of Manufacturing Sector in Mysuru

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Abstract: The study focuses on impact of organization culture on employee performance. An analysis is carried out to understand the relationship of organization culture on employee performance. Five manufacturing companies in Mysuru were selected and data was used in this study. Structured questionnaire with closed end questions were framed. Communication, culture and policies, employee empowerment, reward and benefits and work environment are the variables considered for this study. Correlation, ANOVA, Reliability test and Regression analysis was carried out on the data collected from 160 respondents. The overall results supported that culture of organization has the significance positively impact on employee's performance. Employee's participation is a most important factor for achieving organizational goal.

Keywords: Organization culture, Employee performance

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I. Introduction:

Organizational culture is the collective behaviour of those who belong to an organization; it is based on their organizational values, vision, norms, working language system, it is based on their beliefs and routines, and it seeks to attract new members as a way of perceiving, even thinking, and feeling. The way individuals and teams interact within an organization, as well as with their clients and stakeholders, is influenced by its culture. A team's understandings, conventions, values, attitudes, and beliefs are combined to form their organization's culture. As well as the culture and regulations that the organization created to make sense to the employees, communication is crucial to creating a link between the people in the firm. Employee empowerment is crucial for ensuring their optimum performance and active participation in the team environment. Employee performance is impacted by rewards and perks if they perform well and receive recognition for their efforts in the form of bonuses and salary increases.

II. Literature Review:

Dr Durgadevi S VasanthaShanmugan. (2017). Organizational culture is made up of vision, values, norms, a work language system, and beliefs and behaviours. Good organisational skills can lead to improved work performance. To improve employee performance in an organisation, basic facilities should be provided to employees. This helps employees provide their best performance while also helping the organisation reach its goals.

Dr Lydian Wairimu wombugu. (2014). It is critical to have good communication in every organisation because it improves employee work performance and allows them to keep more information about their group's plans and progress, which aids in the achievement of group goals.

Fakhar Shahzad, Zahid Iqbal, Muhammad Gulzar (2016). Employees were given opportunities to express their ideas and opinions to upper management, which could have aided in making better improvements in the organisation. It is also important to maintain good relationships with people in other departments, as this has an impact on the performance of the employees in the organisation.

Njugi Anne Wanjiku, Nickson Lumwagiagusioma. (2014). It is critical to maintain good interpersonal relationships within the organisation. It has an effect on the performance of the organization's employees. Employees have maintained positive relationships within the company, which contributes to a positive organisational culture.

Hassan bedel Khalif, Abdulkadir Mohamud dahie, Ali abdi Mohamed, Ali abdi Mohamed (2017). The management and policies shape the culture and policies. It consists of the company's rules and regulations, which are also genuinely followed by the organization's employees. The culture is also followed by the employees, who have maintained discipline within the organisation and are required to follow the rules and regulations framed by the company. Policies demonstrate the organization's rules, regulations, and culture of positive attitude and discipline.

The objectives of the study are as follows: To study the factors affecting Employee performance, To study the employees' perception about the organization culture, To determine the relationship between organization culture and employee performance. This study has used descriptive research design. Structured questionnaire was shared among employees for the data collection. Questionnaire consisted of demographic questions and targeted questions. Five-point Likert Scale was used with 1 strongly disagree, 2 disagree, 3 neutral, 4 agree, 5 strongly agree. 160 responses were collected and analysed using SPSS software.

Reliability test

Reliability Statistics

Cronbach's Alpha	N of Items
.935	6

Correlation

		EMPP	COMM	CAP	EM	RAB	WE
EMPP	Pearson Correlation	1	.681**	.726**	.727**	.730**	.689**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	160	160	160	160	160	160
COMM	Pearson Correlation	.681**	1	.780**	.694**	.705**	.693**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	160	160	160	160	160	160
CAP	Pearson Correlation	.726**	.780**	1	.755**	.712**	.677**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	160	160	160	160	160	160
EM	Pearson Correlation	.727**	.694**	.755**	1	.647**	.772**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	160	160	160	160	160	160
RAB	Pearson Correlation	.730**	.705**	.712**	.647**	1	.670**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	160	160	160	160	160	160
WE	Pearson Correlation	.689**	.693**	.677**	.772**	.670**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	160	160	160	160	160	160

** . Correlation is significant at the 0.01 level (2-tailed).

- There is a positive correlation between communication and employee performance, with $r=0.681$ and $p<0.00$ less than 0.05. That is, at a 5% level of significance, there is a positive significant correlation between communication and employee performance.
- There is a positive correlation between culture and policies and employee performance, $r=0.726$ with $p<0.00$ less than 0.05. That is, at a 5% level of significance, there is a positive significant correlation between culture and policy and employee performance.
- There is a positive correlation between employee empowerment and employee performance, $r=0.727$ with $p<0.00$ less than 0.05. That is, at a 5% level of significance, there is a positive significant correlation between employee empowerment and employee performance.
- There is a positive correlation between reward and benefit and employee performance, $r=0.730$ with $p<0.00$ less than 0.05. That is, at the 5% level of significance, there is a positive significant correlation between reward and benefit and employee performance.
- There is a positive correlation between work environment and employee performance, $r=0.689$ with $p<0.00$ less than 0.05. That is, at a 5% level of significance, there is a positive significant correlation between work environment and employee performance.

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 ^a	.669	.658	1.53978

a. Predictors: (Constant), WE, RAB, CAP, COMM, EM

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	737.622	5	147.524	62.222	.000 ^b
Residual	365.122	154	2.371		
Total	1102.744	159			

a. Dependent Variable: EMPP

b. Predictors: (Constant), WE, RAB, CAP, COMM, EM

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.917	1.170		783	.435
COMM	.051	.078	.054	.658	.512
CAP	.176	.080	.191	2.196	.030
EM	.280	.094	.250	2.966	.003
RAB	.325	.075	.316	4.325	.000
WE	.138	.094	.117	1.465	.145

a. Dependent Variable: EMPP

According to the above table, the relationship between communication needs and employee performance is significant since $p<0.05$. Whereas the relationship between other variables such as Culture and policies, Employee empowerment, Reward and benefit, and Work culture with Employee empowerment is not significant because $p>0.05$.

The survey results are evaluated based on the impact of organisational culture on employee performance: A study of Employees on Manufacturing Sector in Mysuru, and workers are satisfied with their abilities. Cooperation, teamwork, involvement, supervision, skill utilisation, and reward, among other things. The study says that the employees are content with the organization's current culture. The respondents are now recognised for their contributions to the organisation and their work allows them to maintain a positive attitude and increase employee satisfaction in the organisation. Organization culture has an impact on employee performance and leads to increased organisational productivity. Employees are motivated to work in an organisation where the work culture is positive.
