

Organizational Culture and its Impact on Employees Behaviour and Performance

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Abstract: *The organization consists of a collectivity with a relatively identifiable boundary, a normative order (rules), ranks of authority (hierarchy), communications system, and membership coordinating systems (procedures). The organization has its goals and human resources as well as constraints. Organizational employees have skills, knowledge, needs, and values pertaining to work and they both complement each other.*

Keywords: Organizational employees

I. INTRODUCTION

The organization consists of a collectivity with a relatively identifiable boundary, a normative order (rules), ranks of authority (hierarchy), communications system, and membership coordinating systems (procedures). The organization has its goals and human resources as well as constraints. Organizational employees have skills, knowledge, needs, and values pertaining to work and they both complement each other.

The organizational collectivity exists, on a relatively continuous basis in an environment, and engages in activities which are normally related to a set of goals. The organizational activities have outcomes for the organizational members, the organization itself, and for the society. The essence of organization revolves around the development of shared meanings, beliefs, values and assumptions which guide and are reinforced by the organizational behaviour.

Employees are important asset of the organization. They serve as human capital for the organization. Organization makes use of the employees' skills, knowledge and abilities in carrying out and fulfilling the organizational objectives. Organizational culture is the environment which surrounds employees at work all of the time. Culture is a powerful element which shapes employees work enjoyment, work relationships, and work processes. However, culture is something which the people cannot actually see, except through its physical manifestations in workplace.

Culture is one of the most prevalent topics that exist within an organisation and this guides the values as well as beliefs of employees within their working premises. Furthermore, this sort of culture also allows the employees to perform better for improving and fulfilling the goals and objectives of an organization. Furthermore, this culture also guides employee behaviour thereby affecting their performance. Employee behaviour is essential that allows employees to perform better within an organisation. This research study will discuss the impact of this organisational culture on employee behaviour as well as their performance rate.

Organizational culture is defined as a pattern of basic assumptions invented, discovered or developed by a given group, as it learns to cope with the problems of external adaption and internal investigation that has worked well enough to be considered valid and therefore is to be taught to the new members as the correct way to perceive, think, and feel in relation to those problems. Organizational culture is a set of shared understandings, norms, values, attitudes and beliefs of an organization which can foster or impede change.

II. CHARACTERISTICS OF ORGANIZATIONAL CULTURE

- Innovation and Risk Taking.
- Attention to Detail.
- Outcome Orientation.
- People Orientation.

- Team Orientation.
- Aggressiveness.
- Stability

III. FACTORS THAT CREATE AND SUSTAIN AN ORGANIZATIONAL CULTURE

According to Schein (1992), the two main reasons why cultures develop in organizations are due to external adaptation and internal integration. External adaptation reflects an evolutionary approach to organizational culture and suggests that cultures develop and persist because they help an organization to survive and flourish.

If the culture is valuable, then it holds the potential for generating sustained competitive advantages. Additionally, internal integration is an important function since social structures are required for organizations to exist. Organizational practices are learned through socialization at the workplace. Work environments reinforce culture on a daily basis by encouraging employees to exercise cultural values. Organizational culture is shaped by multiple factors, including the following:

- External environment.
- Industry.
- Size and nature of the organization's workforce
- Technologies the organization uses.

The aim of this study is to find out how organizational culture affects employee behavior. It is important to understand that in order to improve the organization's business management and let the organizational culture have the right impact on employees. The results of the study indicate that organizational culture mainly impacts motivation, promotes individual learning, affects communication, and improves organizational values, group decision making and solving conflicts.

Organizational culture provides a framework with respect to the behavior of employees in their workplace.

IV. NEED OF THE STUDY

1. People are affected by the culture in which they live. Similarly, an individual working for any organization with a firmly established culture will be taught the values, beliefs, and expected behaviours of that organization.
2. There is at least some sound evidence that variations in cultural values may have a significant impact on employee turnover and possibly employees' job performance. Hence the study of organizational culture is important for the understanding and practice of organizational behavior.
3. The culture decides the way employees interact at their workplace. A healthy culture encourages the employees to stay motivated and loyal towards the management.
4. The culture of the workplace also goes a long way in promoting healthy competition at the workplace.
5. Employees try their level best to perform better than their fellow workers and earn recognition and appreciation of the superiors. It is the culture of the workplace which actually motivates the employees to perform.

V. SCOPE OF THE STUDY

1. It helps the management
 - To understand the causes of performance problems.
 - To understand how to assess the effectiveness of motivational practices in the organization.
2. This study focuses on today's turbulent, often chaotic, environment, commercial success depends on employees making use of their talents in full.
3. The management can create the work environment in which their employees will thrive.
4. The management can
 - Enhance the professional perception of the employees
 - Foster a team oriented cooperative environment

- Enhance employee relationship
- Provide constructive feedback to their performance
- Encourage the resolve of the employees to change the negative behavior pattern.

VI. OBJECTIVES OF THE STUDY

This study is undertaken with the following objectives.

- To assess the existing culture of the organization and to find its impact on employees' behaviour.
- To analyze the overall performance of the employees.
- To learn the employees relationship with their peers.
- To study the employees feel about the management.
- To understand how the employer encourages participation in decision making.
- To find out the employees motivational factor.

VII. RESEARCH METHODOLOGY

DATA SOURCE:

This study involves collection of primary data from the employees of Hyundai. This survey method is used considering the size of the universe and time factor. Data are collected through structured Questionnaire. Questionnaire has been designed and personally administered.

DATA COLLECTION:

Primary data:

Primary information represent the primary hand information that are specifically collected for the present analysis drawback. Primary information square measure raw, unprocessed and nonetheless to receive any sort of meaning interpretation. Sources of primary information tend to be the output of conducting some sort of preliminary, descriptive or casual analysis.

Secondary data:

The secondary data was collected from books, journals, published and unpublished manuals, records, files etc., of the organization. The views of the personnel are elicited by the way of well-structured questionnaire

RESEARCH DESIGN:

A research design is an arrangement of condition for collection and analysis of the data in a manner that aims to combine relevance to the research purpose with economy in procedure.

The study is descriptive in nature i.e., descriptive research. Descriptive research is concerned with describing the characteristics of a particular individual or group. This includes surveys and fact-finding enquiries of different kinds. The main characteristic of this method is that the researcher has no control over the variables; one can only report what has happened or what is happening. Thus, the research design in case of descriptive study is a comparative design throwing light on all the areas and must be prepared keeping the objectives of the study and the resources available. This study involves collection of data from junior level Executives.

SAMPLE SIZE: 100

LIMITATIONS OF THE STUDY

- It is difficult to elicit responses from employees who do night shifts.
- The attitude of the worker changes from time to time. Hence the result of the project may be applicable only at present.
- We cannot get exact information because some of the employees are reluctant to share the information.
- The study period of 35 days as prescribed by university.
- The study is limited unto the date and information provided by company and its annual report

Organizational culture refers to a system of shared assumptions, values, and beliefs that show people what is appropriate and inappropriate behavior. [1] These values have a strong influence on employee behavior as well as organizational performance. In fact, the term organizational culture was made popular in the 1980s when Peters and Waterman's best-selling book *In Search of Excellence* made the argument that company success could be attributed to an organizational culture that was decisive, customer-oriented, empowering, and people-oriented. Since then, organizational culture has become the subject of numerous research studies, books, and articles. Organizational culture is still a relatively new concept. In contrast to a topic such as leadership, which has a history spanning several centuries, organizational culture is a young but fast-growing area within management.

Culture is largely invisible to individuals just as the sea is invisible to the fish swimming in it. Even though it affects all employee behaviors, 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. It is related to the second of the three facets that compose the P-O-L-C function of organizing. The organizing function involves creating and implementing organizational design decisions. The culture of the organization is closely linked to organizational design. For instance, a culture that empowers employees to make decisions could prove extremely resistant to a centralized organizational design, hampering the manager's ability to enact such a design. However, a culture that supports the organizational structure (and vice versa) can be very powerful.

BET YOUR COMPANY CULTURE: Organizations which follow bet your company culture take decisions which involve a huge amount of risk and the consequences are also unforeseen. The principles and policies of such an organization are formulated to address sensitive issues and it takes time to get the results.

PROCESS CULTURE: As the name suggests the employees in such a culture adhere to the processes and procedures of the organization. Feedbacks and performance reviews do not matter much in such organizations.

The employees abide by the rules and regulations and work according to the ideologies of the workplace. All government organizations follow such a culture.

FEW TIPS TO ADJUST TO THE CHANGING ORGANIZATION CULTURE:

- Give time to adjust
- Be flexible
- Work with an open mind
- Never crib
- Look at the positive side
- Develop alternate plans
- Don't get too attached to someone at the workplace

FACTORS AFFECTING ORGANIZATION CULTURE:

Culture represents the beliefs, ideologies, policies, practices of an organization. It gives the employees a sense of direction and also controls the way they behave with each other. The work culture brings all the employees on a common platform and unites them at the workplace.

THERE ARE SEVERAL FACTORS WHICH AFFECT THE ORGANIZATION CULTURE:

The first and the foremost factor affecting culture is the individual working with the organization. The employees in their own way contribute to the culture of the workplace. The attitudes, mentalities, interests, perception and even the thought process of the employees affect the organization culture.

Example - Organizations which hire individuals from army or defence background tend to follow a strict culture where all the employees abide by the set guidelines and policies. The employees are hardly late to work. It is the mindset of the employees which forms the culture of the place. Organizations with majority of youngsters encourage healthy competition at the workplace and employees are always on the toes to perform better than the fellow workers.

The sex of the employee also affects the organization culture. Organizations where male employees dominate the female counterparts follow a culture where late sitting is a normal feature. The male employees are more aggressive than the females who instead would be caring and softhearted.

The nature of the business also affects the culture of the organization. Stock broking industries, financial services, banking industry are all dependent on external factors like demand and supply, market cap, earning per share and so on. When the market crashes, these industries have no other option than to terminate the employees and eventually affect the culture of the place. Market fluctuations lead to unrest, tensions and severely demotivate the individuals. The management also feels helpless when circumstances can be controlled by none. Individuals are unsure about their career as well as growth in such organizations.

The culture of the organization is also affected by its goals and objectives. The strategies and procedures designed to achieve the targets of the organization also contribute to its culture.

Individuals working with government organizations adhere to the set guidelines but do not follow a procedure of feedback thus forming its culture. Fast paced industries like advertising, event management companies expect the employees to be attentive, aggressive and hyper active.

The clients and the external parties to some extent also affect the work culture of the place. Organizations catering to UK and US Clients have no other option but to work in shifts to match their timings, thus forming the culture.

The management and its style of handling the employees also affect the culture of the workplace. There are certain organizations where the management allows the employees to take their own decisions and let them participate in strategy making. In such a culture, employees get attached to their management and look forward to a long term association with the organization. The management must respect the employees to avoid a culture where the employees just work for money and nothing else. They treat the organization as a mere source of earning money and look for a change in a short span of time.

CHANGING ORGANIZATIONAL CULTURE

A common set up where individuals from different back grounds, educational qualifications, interests and perception come together and use their skills to earn revenue is called an organization. The successful functioning of an organization depends on the effort put by each employee. Each individual has to contribute his level best to accomplish the tasks within the desired time frame.

Every organization has a unique style of working which is often called its culture. The beliefs, policies, principles, ideologies of an organization form its culture.

The culture of the organization is nothing but the outcome of the interaction among the employees working for quite some time. The behaviour of the individual with his fellow workers as well as external parties forms the culture. The management style of dealing with the employees in its own way also contributes to the culture of the organization.

Employees working for a considerable amount of time in any particular organization tend to make certain rules and follow some policies as per their convenience and mutual understanding. Such policies and procedures practised by the employees for a long time to make the workplace a happier place form the culture. The culture often gives the employees a sense of direction at the workplace.

Organization culture however can never be constant. It changes with time.

ROLE OF EMPLOYEES IN ORGANIZATION CULTURE:

A place where individuals from different backgrounds, religions, communities come together on a common platform to work towards a predefined goal is called an organization. Every organization has set of principles and policies mandatory for all the employees to follow.

The beliefs, ideologies and practices of an organization form its culture which gives a sense of direction to the employees. The work culture goes a long way in creating the brand image of the organization and making it distinct from its competitors. The employees are the true assets of an organization. They are the ones who contribute effectively towards the successful functioning of an organization. They strive hard to deliver their level best and achieve the assigned targets within the stipulated time frame.

The employees play an important role in deciding the culture of the workplace. Their behaviour, attitude and interest at the workplace form the culture.

Let us understand how employees affect the work culture.

Please go through the below cases:

ORGANIZATION A:

The employees are least bothered about the policies of the organization and attend work just to sustain their job. For them the workplace is nothing but a mere source of earning money. In such a scenario, people seldom get attached to their organization and thus move on in a very short span of time.

ORGANIZATION B:

In organization B, employees are particular about the rules and regulations of the organization and adhere to the set guidelines. The individuals focus on their work and look forward to achieving it well ahead of the deadlines. People stay away from unnecessary gossips and prefer sitting at their workstations rather than loitering around.

ORGANIZATION C:

Organization C is a male oriented organization where male employees dominate their female counterparts. Frequent late sitting is a regular feature of the organization culture. Employees prefer staying back late to finish off their pending work. No organization expects its employees to stay back; it is the employee who according to his own convenience adjusts the timings and makes it the culture of the workplace.

In all the above situations it is the style of working and the behaviour of the employees which form the culture of the workplace. The thought processes and assumptions of the members of the organization contribute to its culture. A motivated and a satisfied employee would promote a healthy culture at the workplace as compared to a demotivated employee.

There are certain organizations where the employees willingly accept challenges and learn something new each day. The roles and responsibilities are delegated as per the interest and specialization of the employees and thus each one tries hard to perform better than the fellow workers. Such organizations follow a strong culture as employees are serious about their work and abide by the policies. However there are certain organizations where things need to be imposed on the employees. They somehow have to be forced by the management to perform their duties. Team leaders have to be appointed to monitor their performance and make them work. In such cases organization follow a weak culture.

Some organizations have aggressive employees who promote healthy competition at the workplace. Such organizations follow a culture where every individual tries hard to win the appreciation of the management. Recognition hungry employees encourage a positive culture at the workplace as compared to organizations where people have nothing innovative to do.

Constant disputes, disagreements, leg pulling lead to a negative ambience at the workplace. Employees find it difficult to concentrate in such a culture and look for a change.

ORGANIZATIONAL CULTURE:

Organizational culture, or corporate culture, comprises the attitudes, experiences, beliefs and values of an organization. It has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization.

Organizational values are beliefs and ideas about what kinds of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals. From organizational values develop organizational norms, guidelines or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another." (Hill & Jones, 2001).

Senior management may try to determine a corporate culture. They may wish to impose corporate values and standards of behavior that specifically reflect the objectives of the organization. In addition, there will also be an extant internal

culture within the workforce. Work-groups within the organization have their own behavioral quirks and interactions which, to an extent, affect the whole system. Task culture can be imported.

For example, computer technicians will have expertise, language and behaviors gained independently of the organization, but their presence can influence the culture of the organization as a whole.

VIII. CHARACTERISTICS OF ORGANIZATIONAL CULTURE

As individuals come into contact with organizations, they come into contact with dress norms, stories people tell about what goes on, the organization's formal rules and procedures, its formal codes of behavior, rituals, tasks, pay systems, jargon, and jokes only understood by insiders and so on. Organizational culture is composed of seven characteristics that range in priority from high to low. Every organization has a distinct value for each of these characteristics.

Members of organizations make judgments on the value their organization places on these characteristics, and then adjust their behavior to match this perceived set of values.

Characteristics of organizational culture are;

- Innovation (Risk Orientation).
- Attention to Detail (Precision Orientation).
- Emphasis on Outcome (Achievement Orientation).
- Emphasis on People (Fairness Orientation).
- Teamwork (Collaboration Orientation).
- Aggressiveness (Competitive Orientation).
- Stability (Rule Orientation).
- Let's examine each of these seven characteristics.

Innovation (Risk Orientation)

Companies with cultures that place a high value on innovation encourage their employees to take risks and innovate in the performance of their jobs. Companies with cultures that place a low value on innovation expect their employees to do their jobs the same way that they have been trained to do them, without looking for ways to improve their performance.

Attention to Detail (Precision Orientation)

This characteristic of organizational culture dictates the degree to which employees are expected to be accurate in their work. A culture that places a high value on attention to detail expects its employees to perform their work with precision. A culture that places a low value on this characteristic does not.

Emphasis on Outcome (Achievement Orientation)

Companies that focus on results, but not on how the results are achieved, place a high emphasis on this value of organizational culture. A company that instructs its sales force to do whatever it takes to get sales orders has a culture that places a high value on the emphasis on outcome characteristics.

Emphasis on People (Fairness Orientation)

Companies that place a high value on this characteristic of organizational culture place a great deal of importance on how their decisions will affect the people in their organizations. For these companies, it is important to treat their employees with respect and dignity.

Teamwork (Collaboration Orientation)

Companies that organize work activities around teams instead of individuals place a high value on this characteristic of the organizational culture. People who work for these types of companies tend to have a positive relationship with their coworkers and managers.

Aggressiveness (Competitive Orientation)

This characteristic of organizational culture dictates whether group members are expected to be assertive or easygoing when dealing with companies they compete within the marketplace. Companies with an aggressive culture place a high value on competitiveness and outperforming the competition at all costs.

Stability (Rule Orientation)

A company whose culture places a high value on stability is rule-oriented, predictable, and bureaucratic in nature. These types of companies typically provide consistent and predictable levels of output and operate best in non-changing market conditions. These are the seven characteristics that are common in the context of organizational culture. Of course, it is true that the characteristics are not the same in all times and spheres.

IX. ROLES OF ORGANIZATIONAL CULTURE

Culture plays an important role in organizations. Some organizations which developed a strong corporate culture, they increased their goodwill and got a good position in the market. The various roles of organizational culture are given below:

- Culture unites (brings together) employees by providing a sense of identity with the organization.
- An informal control mechanism.
- Facilitation of open communication.
- Culture enables organizations to differentiate themselves from one another.
- Culture often generates commitment, superseding personal interests.
- Culture sets organization norms, rules, and standards. Thereby, culture enables employees to function in an organization, by teaching them how to behave.
- A shared understanding.
- Culture becomes especially important in a program/project-based organization. In such an organization, the hierarchy is flat and decision-making is moved to the project/program purpose units and departments. In this context, culture provides the guiding light towards the achievement of goals and objectives.
- Enhanced mutual trust and cooperation.
- Fewer disagreements and more efficient decision-making processes.
- A strong sense of identification.
- Assisting employees in making sense of their behaviors by providing justification for behaviors.

STRONG/WEAK CULTURES

Strong culture is said to exist where staff respond to stimulus because of their alignment to organizational values. Conversely, there is weak culture where there is little alignment with organizational values and control must be exercised through extensive procedures and bureaucracy.

Where culture is strong—people do things because they believe it is the right thing to do—there is a risk of another phenomenon, Groupthink. "Groupthink" was described by Irving L. Janis. He defined it as "...a quick and easy way to refer to a mode of thinking that people engage when they are deeply involved in a cohesive in-group, when members' strivings for unanimity override their motivation to realistically appraise alternatives of action." This is a state where people, even if they have different ideas, do not challenge organizational thinking, and therefore there is a reduced capacity for innovative thoughts.

This could occur, for example, where there is heavy reliance on a central charismatic figure in the organization, or where there is an evangelical belief in the organization's values, or also in groups where a friendly climate is at the base of their identity (avoidance of conflict). In fact groupthink is very common, it happens all the time, in almost every group. Members that are defiant are often turned down or seen as a negative influence by the rest of the group, because they bring conflict (conflicting ideas) and disturb the central culture. In cultural studies, culture is seen as ethnocentric (Barone, J.T, Switzer, J.Y), or culture centric, meaning that we tend to think that our culture/subculture is the best. The stronger the culture, the greater the risks of groupthink.

By contrast, bureaucratic organizations may miss opportunities for innovation, through reliance on established procedures.

Innovative organizations need individuals who are prepared to challenge the status quo—be it groupthink or bureaucracy, and also need procedures to implement new ideas effectively.

ELEMENTS OF CULTURE

G. Johnson described a cultural web, identifying a number of elements that can be used to describe or influence Organizational Culture:

- The Paradigm: What the organization is about; what it does; its mission; its values.
- Control Systems: The processes in place to monitor what is going on. Role cultures would have vast rulebooks. There would be more reliance on individualism in a power culture.
- Organizational Structures: Reporting lines, hierarchies, and the way that work flows through the business.
- Power Structures: Who makes the decisions, how widely spread is power, and on what is power based?
- Symbols: These include organizational logos and designs, but also extend to symbols of power such as parking spaces and executive washrooms.
- Rituals and Routines: Management meetings, board reports and so on may become more habitual than necessary.

ENTREPRENEURIAL ORGANIZATIONAL CULTURE

Stephen McGuire defined and validated a model of organizational culture that predicts revenue from new sources. An Entrepreneurial Organizational Culture (EOC) is a system of shared values, beliefs and norms of members of an organization, including valuing creativity and tolerance of creative people, believing that innovating and seizing market opportunities are appropriate behaviors to deal with problems of survival and prosperity, environmental uncertainty, and competitors' threats, and expecting organizational members to behave accordingly. The next level deals with the professed culture of an organization's members. At this level, company slogans, mission statements and other operational creeds are often expressed, and local and personal values are widely expressed within the organization.

X. CONCLUSION

Organizational culture is a crucial factor in the success of any business. Companies that prioritize culture and actively manage it can create a positive and productive workplace that drives innovation, attracts and retains top talent and sets them apart from their competitors.

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