

ORGANIZATIONAL CULTURE AND ITS EFFECT ON ORGANISATIONAL PERFORMANCE; ORGANISATIONAL COMMITMENT AS A MEDIATING FACTOR

Dr. Sriram. E

Associate Professor Department of MBA, Jayamukhi Institute of Technological Sciences (Autonomous), Warangal, TS, Email: emmadisriram@yahoo.com, sriram@jits.in

Dr Preeti Sharma

Professor & Head, School of Management, University of Engineering & Management, Jaipur
Email: preeti.sharma@uem.edu.in

Ms Major Manju R

Research Scholar Department of Social work, Madurai Institute of Social Sciences, Affiliated to Madurai Kamaraj University, Madurai, Tamilnadu, Email: manjyaso@yahoo.co.in

Dr. Mayilsamyhithambaram

Assistant Professor in Commerce, PSG College of Arts & Science, Coimbatore, Tamil Nadu
Email: drcamayilsamy@gmail.com

Ms. Kavitha Karthikeyan

Associate Professor Department of Civil Engineering, Prince Shri Venkateshwara Padmavathy Engineering College, Chennai, Tamil Nadu, kavithakarhikeyan.civil@psvpec.in

Mr. Akkaraju Sailesh Chandra

Doctoral Research Scholar, Christ (Deemed to be) University, Bangalore, Karnataka
akkaraju.chandra@res.christuniversity.in

ABSTRACT

The study aimed to examine and demonstrate how organisational culture and commitment to employee performance, whether directly or indirectly, affect job performance. A questionnaire was used to collect the data. 127 employees made up the research samples. Descriptive analysis was used in the study to identify each variable indicator's characteristic and respondent description. While utilising inferential analysis with the Partial Least Square (PLS) method and Sobel Test to test the relationship between variables. The findings demonstrated that organisational culture has no direct bearing on employee performance. Organizational culture can affect performance if job satisfaction acts as a mediator. While work satisfaction has a significant indirect or direct impact on employee performance due to organisational commitment.

Keywords: employee performance, job satisfaction, organisational commitment, and culture.

INTRODUCTION

The human element is one of the most crucial organisational resources because it serves as the basis for an organization's success and the realisation of its goals (Mahdi, Nassar, & Almsafir, 2019). As a result, the Department works to motivate people and develop their capacities by connecting their objectives to the goals of the organisation and attempting to establish an organisational culture that will foster participation and respect for one another (Blanchard, 2018). Performance in an organisational context is typically defined as how much a member of the organisation contributes to achieving the organization's objectives. In businesses that focus on providing services, employees are the main source of competitive advantage (Al Shobaki et al., 2017). Employee behaviour is the primary factor in determining an employee's performance (Mone & London, 2018). Many businesses use a rating system based on employee performance to determine the skills (Hassan, 2016). Poor employee performance has been linked to an increase in customer complaints and brand switching, while good employee performance has been linked to an increase in consumer perception of service quality (Kennedy, 2019). Organizations provide development and improve the quality of both new and existing employees in an organised manner through training and development (Dhar, 2015). Training is regarded as a systematic method of learning and development that enhances the performance of an individual, a group, and an organisation (Cummings & Worley, 2014).

A SUMMARY OF THE DEVELOPMENT OF TRAINING

Training and development are both included in training development. This is more concerned with the workers' overall professional development. Training development is one of the most useful tools because it boosts both individual and group performance. Training is crucial for teaching staff members new skills, principles, and knowledge to improve employee performance. To benefit a business in the long run, training should be sufficient to assist employees in developing in the future. Training benefits include an understanding of the advantages and disadvantages that aids the employee in recognising his weaknesses at work and moving forward in the organisation. Experts have provided descriptions of where you are now and where you need to be in the future. People can learn new information technology and update their existing skills and knowledge through training. Because of this, there has been a lot of change and increased productivity at work. The purpose of training is to have an impact that lasts after the actual training is over and to keep staff members informed of emerging trends. Thus, teaching increases the workforce's skill set and equips workers to handle any crisis. Development refers to the educational opportunities that help employees grow. Ability-specific development is not prioritised. Instead, it imparts knowledge and a mindset that will benefit employees in more senior roles. Development initiatives are frequently motivated by individual ambition and drive. Typically, development initiatives are voluntary, like those backed by management development programmers (Warner & Sullivan, 2017). By definition, training development is any effort to improve an employee's past, present, or potential performance by increasing that employee's capacity for learning, typically by changing the employee's mindset or enhancing his or her skills and knowledge (Warner & Sullivan, 2017).

The value of training development and its advantages

Training: For a long time, academic writers have given training considerable research attention because it is one of the key HRM functions. A number of training concepts have resulted from this. For instance, defines training as a deliberate and systematic modification of behaviour through learning experiences, activities, and programmes that enable participants to reach the level of awareness, expertise, skills, and ability to successfully carry out their work. According to (Kerzner, 2017), management can also define training as a planned and organised effort aimed at changing employee behaviour in a way that will help the organisation achieve its goals. The employer makes an effort to provide the employee with the chance to learn work-related skills, attitudes, and awareness through a structured training plan. Development is a planned cycle of learning and growth in which people acquire knowledge, abilities, and attitudes for managing organisations at work. (Figure-1).The development viewpoint discusses the current situation and helps team members, department staff, and other members of an organisation identify effective performance improvement strategies. There might not be anything wrong with some circumstances right now; the group or manager may just be looking for ways to keep enhancing and bolstering current connections and workers' performance (Sekaran & Bougie, 2016).

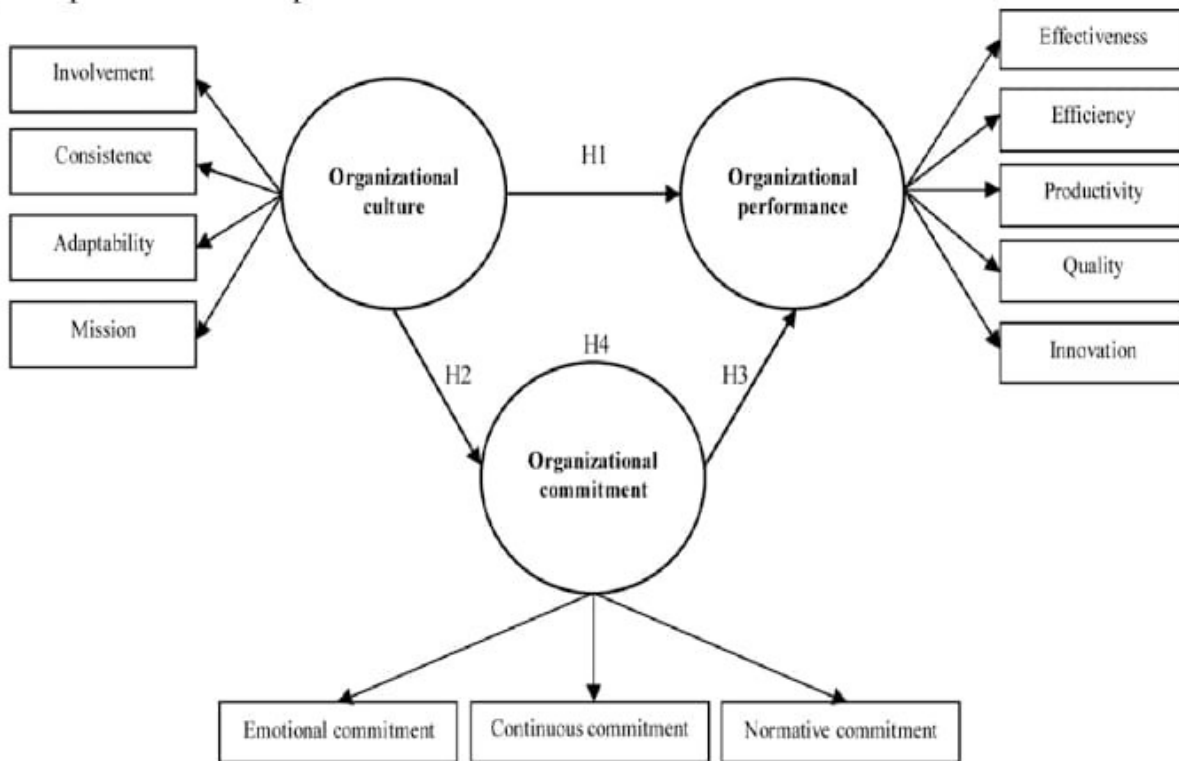


Figure 1. Conceptual model of research

There is documented proof that the training activities contribute to the success of both individuals and teams. Other outcomes, behaviours, encouragement, and confidence can all benefit from training exercises, both individually and collectively. Check out the rewards for good performance first. The staff training and development programme has many positive

effects on the workers. They acquire the technical and soft skills needed for their jobs. Even though unemployment is at its lowest point in 30 years, workers may not want to start new jobs if growth prospects are dim. New university graduates frequently find a company that offers its employees rigorous training programmes, but this idea is risky for businesses because they risk losing recently qualified employees in a few years. Experts in the IT industry understand that knowledge is power and demand that they continue to develop their skills and abilities in accordance with the demands of the market. Many employees want to have their salaries increased because they recognise the importance of the training programme (Kerzner, 2017). Additionally, recent graduates are thought to be ill-prepared for the dynamic business environment. I-Cube, a Massachusetts-based information technology consulting company, offers workforce development services under the name I-Altitude and hires new employees to help them better fit into the company. Employees recognise that the educational system should be tailored to higher responsibilities and higher pay. Helping staff members advance their knowledge and abilities in order to meet demands as they arise also improves job satisfaction (Raziq&Maulabakhsh, 2015).

CORPORATE CULTURE

Organizational culture was described by Gibson et al. (1997) as the framework that permeates each organization's values, beliefs, and norms. The effectiveness of an organisation can be encouraged or discouraged depending on its value characteristics, beliefs, and norms. According to Schein (1992), organisational culture is a fundamental assumption pattern that is created, discovered, or developed by a particular group when they integrate themselves well internally and adapt to external problems. This group then teaches new members the proper way to recognise, think about, and feel the relationship with the problems.

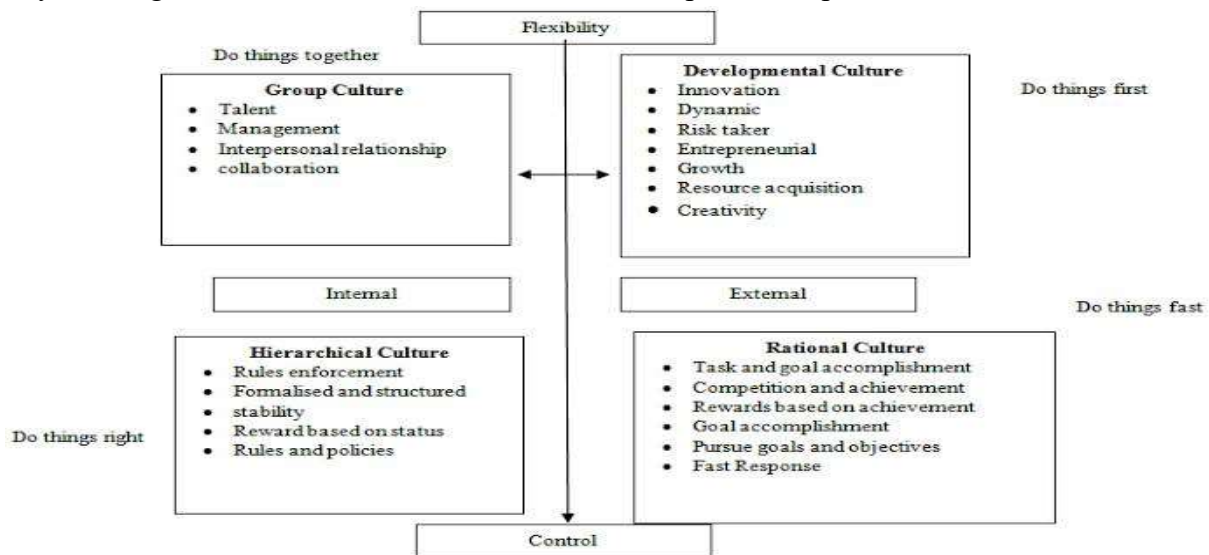


Figure-2

The collective meaning system that members adhere to within an organisation serves to set it apart from competitors. Wallach (1983)'s research on cultural indicators grouped organisational culture into three categories, including bureaucracy culture. both a supportive

and innovative culture. (1) Bureaucracy culture is a culture that places a premium on order, command, and rules; (2) innovative culture gives participants the freedom to express their opinions freely; (3) supportive culture emphasises kinship values like harmony, openness, friendship, cooperation, and trust in its communication and interaction.(Figure-2)

ORGANIZATIONAL DEDICATION

Organizational commitment, according to Marthis and Jackson (2000), is the extent to which employees support the organization's objectives and want to stick with it. Organizational commitment, according to Luthans (2006), is defined as 1) a strong desire to join a particular organisation, 2) a desire to try hard to fit in with the organization's goals, and 3) a certain belief in the organization's values and objectives. Organizational commitment, according to Sopiah (2008), is a psychological bond between an employee and their employer that is characterised by three qualities: (1) a strong belief in and acceptance of the organization's goals and values; (2) a strong desire to achieve those goals; and (3) a strong desire to uphold their membership in the organisation. Meyer and Allen (1997) divided organisational commitment indicators into three categories, which were used in this study. Affective commitment refers to a person's psychological involvement with an organisation based on how positively they perceive it. The term "continuance commitment" refers to a member's psychological commitment to an organisation as a result of the costs and moral obligations they have to uphold the organization's relationship. (Figure -3)

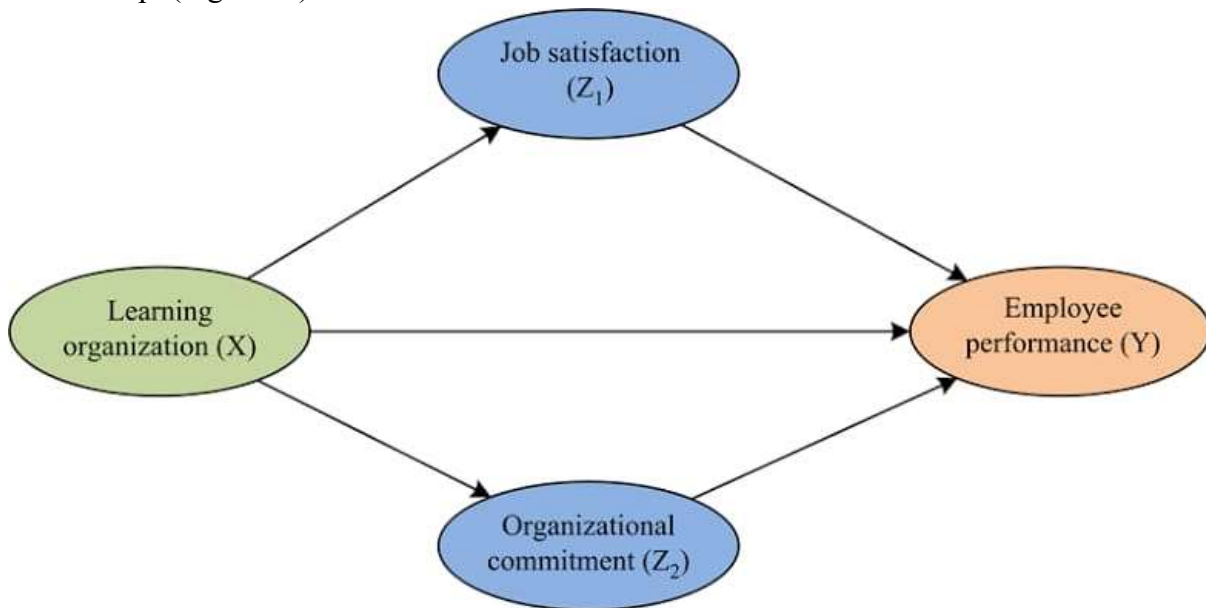


Figure -3

JOB CONTENTMENT

Job satisfaction, according to Robbin and Judge (2008), is a favourable feeling about one's job and the outcome of a characteristic evaluation. A person who feels good about their job has a high level of job satisfaction. According to Luthans (2006), job satisfaction is a pleasurable emotional state, or positive emotions, that result from the value or experience of

the work. Additionally, according to Nasaradin (2001), job satisfaction may be a pleasurable or positive emotional state brought on by an evaluation of one's job or professional experience. According to Luthans (2006), the following job satisfaction indicators were used in this study: the actual work, salary, opportunities for promotion, the supervisor, and the co-workers.

PERFORMANCE

According to Prawirosentoso (2000), performance refers to the work outcomes attained by an individual or group within an organisation, in accordance with their level of authority and responsibility, in an effort to achieve their organisational goals in a way that is morally and ethically acceptable, not against the law. Employee performance is the quality and quantity of work results that someone achieves while carrying out their responsibility. According to Bernadin or Rusel (1993), quality, which measures how closely a process or activity's implementation matches expectations, was one of the performance indicators used in this study. quantity that is related to how much is produced, such as the number of rupiahs, units, cycles, and completed activities. Timelines and punctuality levels that meet expectations while taking into account the coordination of other output with the time available for other works.

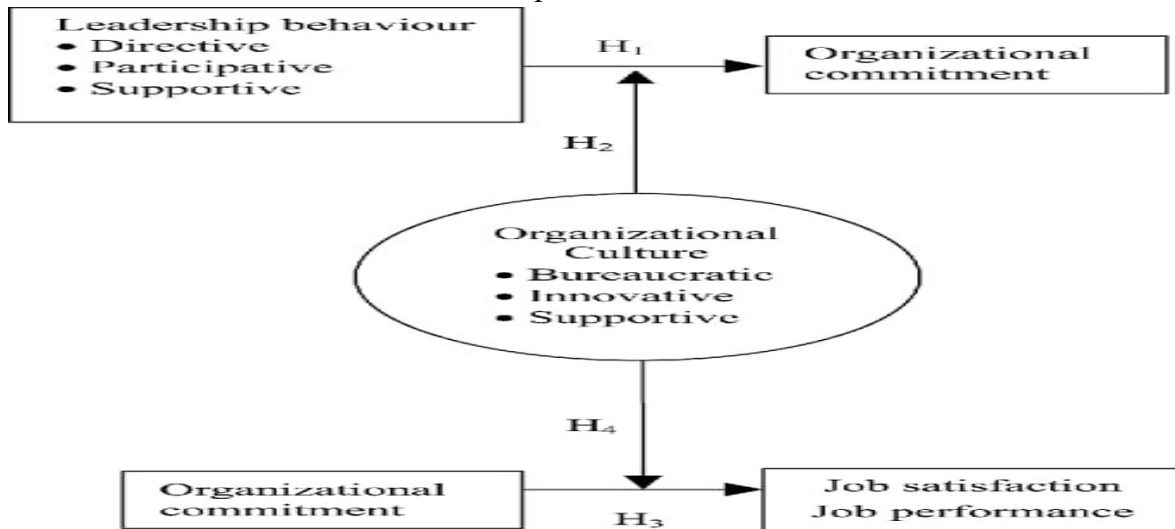


Figure - 4

Cost-effectiveness, how well organisational resources (including human, financial, technological, and material ones) are used to achieve ambitious goals, or reducing the drawbacks associated with each resource unit How far a worker goes to avoid unexpected actions is where a supervisor is needed. Interpersonal impact, how far the employee keep their self-esteem, good name and cooperation among the peers and subordinates. (Figure -4)

CONCLUSIONS

The performance of employees is not significantly impacted by organisational culture. Therefore, organisational culture values such as bureaucracy, innovation, and support should be socialised to employees in their work settings in order to instil organisational culture in each employee and enable them to work more effectively for the company. This means that higher organisational cultures are unable to improve employee performance. The level of organisational commitment has a big impact on how well employees perform. It implies that employee performance increases in direct proportion to organisational commitment. High-

commitment workers will give their full attention and use all of their talents to advance the business. The ability of job satisfaction to mediate between organisational culture and worker performance. It denotes that a more powerful organisation will be better able to increase employee job satisfaction, which will result in better performance from the workforce. Workplace happiness can act as a mediator between an organization's commitment to employee performance. Higher job satisfaction and performance are correlated with higher organisational commitment.

REFERENCE

1. Mahdi, O. R., Nassar, I. A., & Almsafir, M. K. (2019). Knowledge management processes and sustainable competitive advantage: An empirical examination in private universities. *Journal of Business Research*, 94, 320–334
2. Blanchard, K. (2018). *Leading at a higher level: Blanchard on leadership and creating high performing organizations*. FT Press
3. AlShobaki, M. J., Abu-Naser, S. S., & Abu Amuna, Y. M. (2017). *Learning Organizations and Their Role in Achieving Organizational Excellence in the Palestinian Universities*
4. Mone, E. M., & London, M. (2018). *Employee engagement through effective performance management: A practical guide for managers*. Routledge.
5. Hassan, S. (2016). Impact of HRM practices on employee's performance. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 6(1), 15–22
6. Kennedy, D. M. (2019). Managing the Mayo Clinic brand: a case study in staff-developed service performance standards. *Journal of Brand Management*, 26(5), 538–549
7. Dhar, R. L. (2015). Service quality and the training of employees: The mediating role of organizational commitment. *Tourism Management*, 46, 419–430
8. Cummings, T. G., & Worley, C. G. (2014). *Organization development and change*. Cengage learning
9. Warner, M., & Sullivan, R. (2017). *Putting partnerships to work: Strategic alliances for development between government, the private sector and civil society*. Routledge.
10. Kerzner, H. (2017). *Project management: a systems approach to planning, scheduling, and controlling*. John Wiley & Sons
11. Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & Sons.
12. Shamsudin, S. (n.d.). *Relationship between organizational Culture and employee performance in IT industry in India*
13. Raziq, A., & Maulabakhsh, R. (2015). Impact of working environment on job satisfaction. *Procedia Economics and Finance*, 23, 717–725.
12. Gibson, Imam H. 2005. *Multivariate Analysis with SPSS Software*. Diponegoro Pres, Semarang
13. Schein, Edgar H. 1992. *Organizational Culture and Leadership*. San Francisco, Jasssey Bass Publisher.

14. Wallach, Wllen J. 1983. Individuals and Organization: The Cultural Match. Training and Development Journal
15. Marthis, R.I. and Jackson J.H. 2000. Human Resources management. New Jersey. Prentice Hall.
16. Luthans, Fred. 2006. Organizational Behavior, Indonesian Edition, Translated by VivinAndika et al. Andi Publisher. Yogyakarta
17. Sopiah. 2008. Organizational Behavior. CV. Andi Offset. Yogyakarta.
18. Meyer and Allen, 1997. Commitment in the Work Place, Theory, Research and Application. Sage Publication. Inc. California.
19. Robbins, Stephen P and Judge Timothy A. 2008. Organizational Behavior. Twelve Edition of Book 1, Translation of Diana Angelica, Indonesian Edition, SalembaEmpat, Jakarta.
20. Nasarudin, 2001. Job Satisfaction and Organization Commitment among Malaysian Workforce, Proceeding of 5 Asian Academic of Management Conference. Klatang Pahang pp 270 -276. Prawirosentoso, Suryadi. 2000. Employee Performance Policy, Yogyakarta, BPFE