

THE EFFECT OF ORGANIZATIONAL CULTURE AND ITS IMPACT ON EMPLOYEE PERFORMANCE WITH SELECTED I.T SECTOR IN CHENNAI - AN ANALYSIS

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Abstract

In Today's technologically advanced world, information technology sector plays an important role in primary domain, like banking, insurance, business, education and entertainment. Organization culture is very complex and critical one to attain a common goal of the organization, to create a smooth relationship between employer and employee is inevitable one. The main purpose of the article is to study the organizational culture and employee performance in workplace of information technology sector in Chennai.

Descriptive research design was adopted in this study, totally 400 IT employees has been taken as respondent of the study. A questionnaire was used to engender data from the selected respondents, the hypotheses were tested using chi-squared statistical tool at 5% level of significance. The results of the analysis indicate that how to improve the organizational culture and employee performance in IT sector in Chennai.

Keywords: Organization culture, employee performance, Job Description

1 Introduction

Organizational culture has a significant positive influence on employee's performance, particularly in the IT sector in Chennai. Research indicates that a adaptive and supportive organizational culture fosters higher engagement and productivity among employees, leading to improved performance outcomes 2017 (Durgadevi). Organizational culture is the key sources to attain competitive advantages. A good organizational culture will yield the good profit to the company 2020 (Mohamed Suhali).

IT company leaders may find the study's results helpful in bolstering their corporate culture by focusing on the highlighted aspects that have the most impact on it 2023 (Velmurugan. Several mysterious features of business, communities and occupations can be better understanding through the lens of corporate culture 2023 (Shamed) Inferred that the organizational culture had a good impact on employee performance in recent years. Empirical evidences further showed that lack of cultural integration between members companies was a primary cause of failures in corporate groups 2023 (elakkiya).

1.1 Objectives of the Study

- ❖ To study the significant relationship between employee performance and organizational culture.
- ❖ To study the impact of leadership styles and employee productivity, and retention of organizational culture.
- ❖ To analyze the relationship between work life balance and organizational culture.

1.2. Scope of the Study

- ❖ To study the relationship between organizational culture and interpersonal patters and its impact on employee behavior.
- ❖ To investigate the significant relationship between organizational communication and its employees' performance.

2. Review of Literature

M Sakthivel Murugan (2009) Organizational culture elements and strategies followed by Information Technology (IT) companies are designed to attract and retain the professionals and are formulated to meet the current market conditions. The study about culture system becomes imperative, as the competitors are willing to pay more and poach the skilled workforce, intensifying the demand for talent in the market.

The study is conducted by using both analytical and descriptive type of methodology. The survey is conducted in IT companies located in Chennai. It is inferred that organizational culture influencing performance among the employees in the IT industry depends on the major factors such as organizational culture, work environment, safety and negotiation. ² Mohamed Suhail M 1, Abirami.G 2 (2020) The cultural paradigm comprises various beliefs, values, rituals and symbols that govern the operating style of the people within a company.

The objectives of the study is to know how organizational culture influences employee performance. The primary data were collected from the respondents through structured questionnaire. Data were analyzed by simple percentage analysis, regression for the study.

The result would help the organization to know how organization culture influences the performance of the employees. ³Shamnad Shamsudin A, VP VelmuruganB (2023) Examining the factors that contribute to company culture and how that culture affects employee productivity is the primary focus of this essay.

Theoretical framework: This investigation used a mixed research strategy, combining qualitative and quantitative approaches. Design/methodology/approach: ⁴T M Gunaraja (2014) 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. ⁵Fakhar Shahzad, et.,al (2013) The overall results support that culture of organizations has the significant positive impact on employee's job performance at selected software houses in Pakistan. Employee's participation is a most important factor for achieving organizational goals.

⁶ R. Durgadevi (2017) Organisational culture is a complex phenomenon and is formed in diversity of ways, it might initiate from the challenge and obstacles that organisation features, it may perhaps be an intentional creation of the management and employees working in the organisation culture. Culture of the organization is somewhat that can predominantly ground the performance of the employees in the workplace.

⁷Ahsanullah Mohsen et.,al (2020), The primary objective of this paper is to determine the impact of organizational culture on the employees' performance in the telecommunication sector in Afghanistan. Researchers applied and adopt previously used questionnaires for the purpose.

Both independent variable organizational culture and dependent variable employee performance is divided to their sub-elements to measure them in targeted organizations.

As this topic has not been discussed methodically in the context of Afghanistan, therefore, it is perceived vital to conduct such a research and encourage the selected sector for improvement through recommendation. The target population of this research is employees in the telecommunication sector which are about 2000 workforces.

To achieve the abovementioned objective, the regression model is used for analyzing the data and finding the relationships among the variables. Findings show the existence of the relationships and influences of organizational culture on the employee performance as whole.

3. Research Methodology

The present study is based on descriptive in nature; the study was analyzed to compare the employee performance towards the organizational culture, based on the literature review the organizational culture is divided in to subcomponents for measurement. The questionnaire has two main components namely organizational culture and employee performance. The variables which measure the goal goals, teamwork and management work style.

3.1 Method of Data Collection

Questionnaire methods of data collection were made.

3.2 Sample Size

The size of the sample of this study is 400

3.3 Tools used

Chi-squared test

4. Results and Discussions

Descriptive Statistics

Table 4.1 the Demographic Profile of the respondents

| Type | Number of Respondents | (%) |
|----------------------------------|-----------------------|-------|
| Gender | | |
| Male | 207 | 51.75 |
| Female | 193 | 48.25 |
| Age | | |
| 20 -30 years | 172 | 43 |
| 31 -40 years | 122 | 30.5 |
| 41 -50 years | 65 | 16.25 |
| Above 50 years | 41 | 10.25 |
| Educational Qualification | | |
| Undergraduate | 204 | 51 |
| Postgraduate | 125 | 31.25 |
| Others | 71 | 17.75 |
| Monthly Income | | |
| Below Rs.30,000 | 144 | 36 |
| Rs.30,001- Rs.40,000 | 127 | 31.75 |
| Rs.40,001- Rs.50,000 | 85 | 21.25 |
| Above Rs.50,000 | 44 | 11 |

Ho. Assessing there is no significant association between employee performance and organizational culture

To appraise that, there is no significant relationship between the employee performance and organization culture, here chi- squared test was conducted to identify the relations between the given values, and the productive results were given below.

Table. No. 4.1 There is no significant association between employee performance and organizational culture

| | | Existence of understanding between the employee performance and organizational culture | | | Chi-Squared test value |
|--------|-------|---|-----|-------|------------------------|
| | | Yes | No | Total | 6.9 p = 7.815 |
| Gender | Men | 119 | 96 | 215 | |
| | Women | 98 | 87 | 185 | |
| Total | | 217 | 183 | 400 | |

The above table 4.1 it is inferred that, there is a significant relationship between the employee performance and organizational culture, the chi-square test results was given below, the chi square test value (calculated value) is 6.9 it is less than the chi squared table value of (7.815), hence, the null hypotheses (H0) is rejected at 5% level of significance. The outcomes of the calculations denote that there is a relationship between the employee performance and organizational culture.

Ho. Assessing there is no significant association between leadership styles and employee productivity and retention of organization culture

The leadership style and employee productivity and retention of organization culture may or may not suffer the employee performance, it is purely depends on their personal experience. Here the researcher has framed the null hypothesis that there is no significant relationship between leadership styles and employee productivity and retention of organization culture. Chi –squared test was performed over the values and the suitable results were given below in sequence.

Tabel.No.4.2 There is no significant association between leadership styles and employee productivity and retention of organization culture

| | | Existence of leadership styles and employee productivity and retention of organization culture | | | Chi-Squared Test value |
|--------|-------|--|-----|-------|------------------------|
| | | Yes | No | Total | |
| Gender | Men | 132 | 83 | 215 | 28.92 p = 7.815 |
| | Women | 89 | 96 | 185 | |
| Total | | 221 | 179 | 400 | |

The above table 4.2 inferred that, there is no significant relationship between leadership styles and employee productivity and retention of organization culture, chi-square test were conducted on the given values, the calculated value is 28.92 which are higher than the table value of 7.815, hence the null hypothesis is accepted at 5% level of significance. The outcome of the table calculation is there is no relationship between employee productivity and retention of organization culture.

Ha. Assessing there is a significant relationship between work life balance and organizational culture

How the organizational culture makes an impact on work and life of an employee, the values are keenly analyzed and examined by the researcher. The results were given below with the help of chi-squared test; the hypothesis framed by the researcher and there is a correlation between them. The results are given below:

Tabel.No.4.3 There is significant relationship between work life balance and organizational culture

| | | Existence of work life balance and organizational culture | | | Chi-Square Test value |
|--------|-------|---|-----|-------|-----------------------|
| | | Yes | No | Total | |
| Gender | Men | 106 | 109 | 215 | 29.59 p = 7.815 |
| | Women | 72 | 113 | 185 | |
| Total | | 178 | 222 | 400 | |

The above table 4.3 inferred that the test was performed by the researcher, the chi-square test value is (calculated value) 29.59 which is greater than the table value of 7.815; hence the hypothesis is rejected at 5% level of significance. Hence there is no significant relationship between work life balance and organizational culture.

Hypothesis: H0 (Null hypothesis): Level of education has no statistically significant relationship with influence factors like (organizational culture, working style, employee behavior, easy understanding, knowledge sharing, attitude and interpersonal relationships) to consider performance appraisal.

H1 (Alternative hypothesis): Level of education has statistically significant relationship with influence factors like (organizational culture, working style, employee behavior, easy understanding, knowledge sharing, attitude and interpersonal relationships) to consider performance appraisal.

Table.4.4 Level of Education Vs. Factors that Influence when the respondents faces the sudden changes in organizational culture

| Opinion | | | | | Chi-squared test Value |
|----------------------------|--------------------|--------------|-----------|------------|------------------------|
| Influence Factor | Level of education | | | Total | |
| | Undergraduate | Postgraduate | Others | | |
| Organizational culture | 31 | 12 | 5 | 48 | 21.0 p = 1.231 |
| Working style | 23 | 9 | 12 | 44 | |
| Employee behavior | 11 | 7 | 7 | 25 | |
| Easy understanding | 15 | 23 | 11 | 49 | |
| Knowledge sharing | 10 | 10 | 9 | 29 | |
| Attitude | 9 | 10 | 5 | 24 | |
| Interpersonal relationship | 105 | 54 | 22 | 181 | |
| Total | 204 | 125 | 71 | 400 | |

Source: Primary data

The calculated value of the above table 4.4 is greater than the table value. The null hypothesis H0 is accepted. Thus, level of education has no statistically significant relationship with influence factors like (organizational culture, working style, employee behavior, easy understanding, knowledge sharing, attitude and interpersonal relationships) to consider performance appraisal.

5. Findings

- A majority of the respondents (40%) belongs to 20 -30 years of age category
- 31.25% of the respondents (31.25%) have completed their post graduation degree
- A majority of the respondents (55%) strongly agree that organization culture has good effect on employee performance
- 48% of the respondents agree that organizational culture gives impact on working style of the employee
- There is also a positive relationship between leadership styles and employee productivity and retention of organization culture
- level of education has no statistically significant relationship with influence factors like (organizational culture, working style, employee behavior, easy understanding, knowledge sharing, attitude and interpersonal relationships) to consider performance appraisal
- The chi-square test value is (calculated value) 29.59 which is greater than the table value of 7.815; hence the hypothesis is rejected at 5% level of significance. Hence there is no significant relationship between work life balance and organizational culture.
- There is no significant relationship between leadership styles and employee productivity and retention of organization culture, chi-square test were conducted on the given values, the calculated value is 28.92 which are higher than the table value of 7.815, hence the null hypothesis is accepted at 5% level of significance. The outcome of the table calculation is there is no relationship between employee productivity and retention of organization culture

6. Suggestions

- Organizational culture significantly impacts employee performance by establishing a work environment that can motivate, empower, and support employees.
- A positive culture encourages collaboration and innovation, fostering higher levels of engagement and productivity.
- In contrast, a negative culture can hinder motivation and lead to disengagement, directly affecting performance levels.
- Therefore, cultivating a strong, positive organizational culture is crucial for improving overall employee performance.
- Every individual employees has different beliefs and working styles that allows them to work hard.

- Need to provide proper upgraded training to the employees in the future.

7. Conclusion:

From the research, it is inferred that there is a major impact on organizational culture and employee performance in IT sector; in this study context most of the employees are aware about the organizational culture and its impact in their work and life. Organizational culture plays a crucial role in shaping employee performance within the IT sector. An optimistic organization culture fosters higher employee engagement and productivity. Studies indicate that more than 55% of the employees are highly committed in their routine work. Furthermore, evidence suggests that a strong alignment between culture and performance not only benefits individual employees but also improves overall organizational efficiency. It is essential for IT firms to cultivate a supportive and dynamic culture to maximize employee potential and achieve business objectives.

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