

# A Study on Organizational Culture and its Impact on Employees Behavior

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**Abstract** - The aim of this study is to find how organizational culture affects employee behavior. Organizational culture was into divided three parts: symbols, rituals, and values. It is noteworthy that values were categorized according to six dimensions: power distance, collective and individual, uncertainty avoidance, masculinity and femininity, long-term orientation, indulgence and restraint. The hypothesis, that employee behavior is affected by symbols, rituals, and the six dimensions of values, is tested through interviews and observation in the case company.

**Key Words:** Organizational Culture, Testing Hypothesis, Employees Behaviour

## 1. INTRODUCTION

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## I. INTRODUCTION

Symbols and rituals are measured based on observation. Put simply, symbols and rituals play a role that has the responsibility to transmit organizational culture to employees. Rituals are activities or standards that express and enhance the key values of an organization. Symbols, then again, represent the vision, motivation, and values of an organization. Thus, employees can learn organizational culture through these different forms.

## II. OBJECTIVES OF THE STUDY

The primary objective of this study is to assess the impact of corporate culture on employee job performance. In line with this primary objective, the secondary objectives are as follows:

- To ascertain if organizational culture affects employee job performance.
- To determine empirically the relationship between corporate culture and employee job performance.
- To formulate recommendations regarding corporate culture and employee job performance.

## III. TESTING OF HYPOTHESES

Hypotheses testing are very crucial in a research work because until a hypothesis has been tested and checked against available data, it is nothing more than a guess. There are various statistical tools that can be use for testing of hypotheses but this research work will be limited to the use of chi-square ( $\chi^2$ ) statistical tool. The chi-square test is used in goodness of fit to assess whether a particular set of observation is sufficiently reliable for the purpose for which it is been collected. Chi-square involves calculating the probability that an observed value randomly picked from the population equals a normal curve frequency of the hypothetical population. Hence, the observed and expected set of frequencies will be compared and arranged in single columns.

Chi-square ( $\chi^2$ ) is calculated using this formula:

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where:  $\sum$  =Summation O = Observed frequency E = Expected frequency Hypothesis 1

H0 There is no positive relationship between organizational culture and employee job performance. H1 There is a positive relationship between organizational culture and employee job performance.

## SURVEY FROM ALIGATOR COMPANY, PEELAMEDU

### Data Presentation and Analysis

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Male	58	74.4	74.4	74.4
Female	20	25.6	25.6	100.0

Total	78	100.0	100.0
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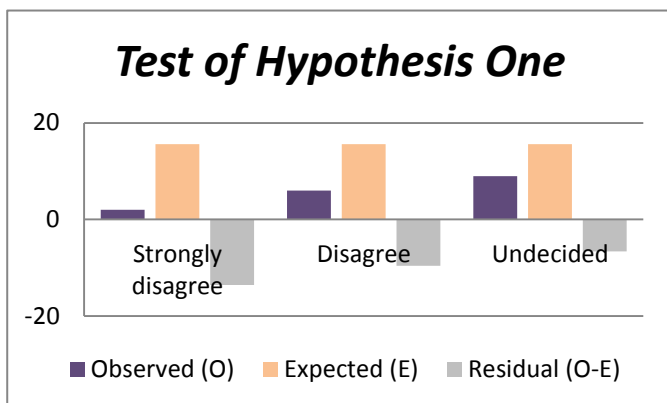
**Table I:** Sex Distribution of Respondents Respondent Sex

The table above shows that 58 (74.4%) of the respondents are male while 20 (25.6%) of the respondents are female. This information was sought about respondents' number of years of working in the organization as it will help to show how much the respondents know about the organization and its activities.

	(O)	(E)	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> / E
<b>Strongly disagree</b>	2	15.6	-13.6	184.96	11.86
<b>Disagree</b>	6	15.6	-9.6	92.16	5.91
<b>Undecided</b>	9	15.6	-6.6	43.56	2.79
<b>Agree</b>	38	15.6	22.4	501.76	32.16
<b>Strongly agree</b>	23	15.6	7.4	54.76	3.51
<b>Total</b>	78	78			56.23

O - Observed, E - Expected, O-E - Residual

**Table II:** Test of Hypothesis One



**FIG I:** Test of Hypothesis One

	(O)	(E)	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> / E
<b>Strongly disagree</b>	3	15.6	-12.6	158.76	10.18
<b>Disagree</b>	6	15.6	-9.6	92.16	5.91
<b>Undecided</b>	6	15.6	-6.6	43.56	2.79
<b>Agree</b>	40	15.6	24.4	595.36	38.16
<b>Strongly agree</b>	23	15.6	7.4	54.76	3.51
<b>Total</b>	78	78			63.67

O - Observed, E - Expected, O-E - Residual

**Table III:** Test of Hypothesis two

**Decision rule:** Reject H<sub>0</sub>, where x<sup>2</sup> calculated is greater than x<sup>2</sup> tabulated, otherwise,

$$\text{Calculated } (X^2) = \sum (O - E)^2 / E = 63.67$$

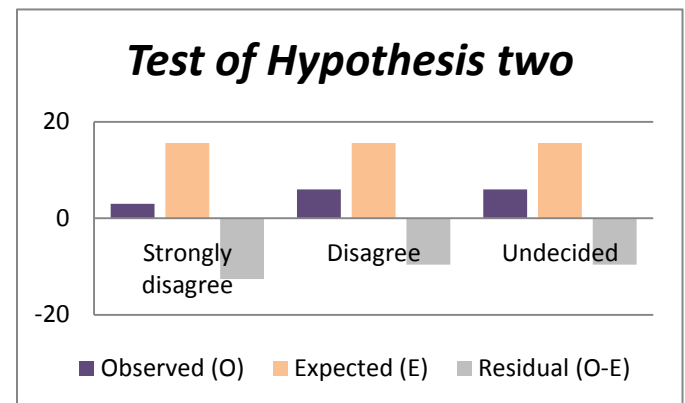
$$\text{Degree of freedom "d.o.f"} = n - 1$$

Where n = number of rows Therefore,

$$\text{d.o.f } 5 - 1 = 4$$

Tabulated (X<sup>2</sup>) = At 0.05% level of significance, the tabulated value of x<sup>2</sup> for 4 degrees of freedom is 9.488

**Decision:** Since the calculated x<sup>2</sup> is greater than the tabulated x<sup>2</sup>, we reject the null hypotheses (H<sub>0</sub>) and accept the alternative hypotheses (H<sub>1</sub>). This indicates that there is a positive relationship between organizational culture and organizational productivity.



**FIG II:** Test of Hypothesis Two

**Findings:**

Based on analyzed data, the findings in this study include the followings:

(i) A large number of respondents (57.7%) strongly agree that corporate culture has effect on employee job performance.

(ii) 48.7% of the employees also agree that corporate culture determines the productivity level of the organization.

(iii) This study further reveals that there is a positive relationship between corporate culture and employee job performance. This is evidenced in the first hypothesis tested in which the calculated value of chi-square 56.23 is greater than the tabulated value of 9.488.

(iv) There is also a positive relationship between organizational culture and corporate culture and organizational productivity. This also came from the second hypothesis in which the calculated value of chi-square 63.67 is greater than the tabulated value of 9.488

which made us to accept alternative hypothesis two and reject null hypothesis two.

**SURVEY FROM AES TECHNOLOGIES, COIMBATORE**

**Data Presentation and Analysis**

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Male	50	72.4	75.4	75.4
Female	30	28.6	24.6	100.0
Total	80	100.0	100.0	

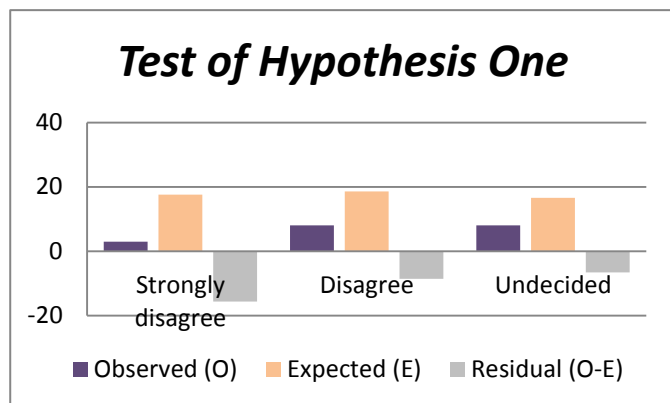
**Table IV:** Sex Distribution of Respondents Respondent Sex

The table above shows that 50 (75.4%) of the respondents are male while 30 (24.6%) of the respondents are female. This information was sought about respondents' number of years of working in the organization as it will help to show how much the respondents know about the organization and its activities

	(O)	(E)	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> / E
Strongly disagree	3	17.6	-15.6	185.96	11.56
Disagree	8	18.6	-8.6	922.16	5.91
Undecided	8	16.6	-6.6	45.56	2.79
Agree	40	14.6	23.4	501.76	33.16
Strongly agree	25	17.6	7.6	56.76	3.61
Total	84	85			58.23

O - Observed, E - Expected, O-E - Residual

**Table V:** Test of Hypothesis One

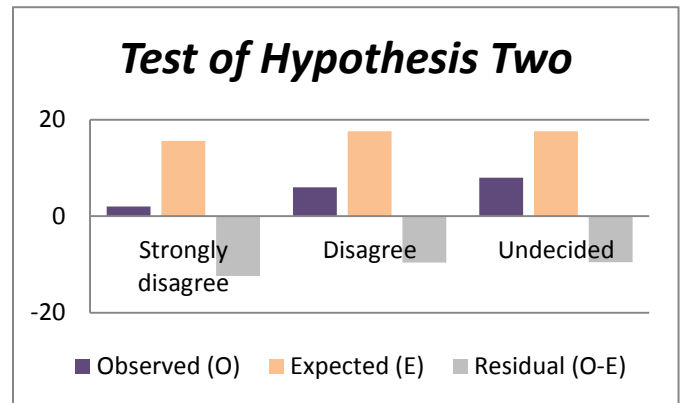


**FIG III:** Test of Hypothesis One

	(O)	(E)	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> / E
Strongly disagree	2	15.6	-12.4	157.76	12.18
Disagree	6	17.6	-9.6	92.16	5.91
Undecided	8	17.6	-9.5	92.16	5.91
Agree	45	15.6	25.4	597.36	39.16
Strongly agree	25	15.6	7.4	5.76	3.51
Total	86	82			66.67

O - Observed, E - Expected, O-E - Residual

**Table VI:** Test of Hypothesis two



**FIG IV:** Test of Hypothesis Two

**Decision:** Since the calculated X<sup>2</sup> is greater than the tabulated X<sup>2</sup>, we reject the null hypotheses (H0) and accept the alternative hypotheses (H1). This indicates that there is a positive relationship between organizational culture and organizational productivity.

**IV. FINDINGS**

Based on analyzed data, the findings in this study include the followings:

(i) A large number of respondents (59.7%) strongly agree that corporate culture has effect on employee job performance.

(ii) 41.7% of the employees also agree that corporate culture determines the productivity level of the organization. This study further reveals that there is a positive relationship between corporate culture and employee job performance. This is evidenced in the first hypothesis tested in which the calculated value of chi-square 58.23 is greater than the tabulated value of 9.6.

(iii) There is also a positive relationship between organizational culture and corporate culture and organizational productivity. This also came from the second hypothesis in which the calculated value of chi-square 66.67 is greater than the tabulated value of 9.588 which made us to accept alternative hypothesis two and reject null hypothesis two.

**V. CONCLUSION**

The literature review of this thesis shows that there are three levels in organizational behavior. The first level is individual behavior, the second level is group behavior, and the third level is organizational system level. The individual behavior includes biographical characteristics, ability, values, attitudes, personality, emotions, perception, individual decision making, learning and motivation. The group behavior consists with communication, leadership and trust, group structure, conflict, power and politics. The organizational system level involves organizational culture, human resource

policies and practices, and organization structure and design. However, the case study found that not every behavior was affected by the organizational culture. Still, some part of employee behavior has a strong correlation with culture. e three levels of the organizational culture include symbols, rituals, and values; each level has unique impacts on behavior. Symbols have impacts on motivating employees, and delivering a company's vision and values to its employees. All in all, the organizational culture's impacts are mainly reflected in motivation, promote individual learning; communication; and enhance organizational values; group decision making; and conflict solving.

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