



Factors of Organizational Culture Affecting Employee Performance: An Empirical Approach

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ABSTRACT:

This study aims to determine the factors of organization culture affect the employee performance in selected pharmaceutical industries of M.P. The population of the study were all employees in the selected 5 pharmaceutical industries. The research method used is descriptive quantitative using factors analysis techniques. Finding of the study stated that six factors were found to be significantly affects the Employees Productivity, namely Top Management Motivation and Encouragement, Reliability, Employees Development, Assurance, Job Rotation and Promotion Policies.

Key Words: organization culture, Employee performance, working environment, Top management

Introduction

Culture is a system of shared assumptions, values, and a belief, which governs, has people behave in the organizations. These shared values have a simple insurance on the people in the organizations and declare has they dress, act, and perform their jobs. Organization's Culture is important at the work place because it sets out the way in which employees complete the tasks, understand the organizational events, objectives, and interact with each other in an organization.

Employees are one of the most important resources of any Organization and they spend more than 60 % part of their life at their working place. When one joins the organization at first, they try to understand the working environment, values and beliefs, gain knowledge, determine the ways an organization need to conduct its business, Behaviour of people present in the Organizations and their communication process, after some time employees feel familiar with the system of the organization. For example, Linton 1936 said that Culture is the sum total of behaviour pattern, attitude and values, shared, and transmitted by members of a given society.

Organizational Culture (Independent Variable)

Organization Culture is the environment under which an employee deals with its organizations and the organization deals with its employee. Organizational Culture is necessary to understand for predicting the influencing individual behaviour in organizational setting and controlling of ideas, thoughts, information)

Employee Productivity (Dependent Variable)

Employee performance means job related activities expected from workers and how well those activities were executed to fulfil the goals of an organization. In every organization, top management assess the performance of staff members, annually or quarterly, based on some parameter and by this they identify the areas for improvements.

Organizational culture in Pharmaceutical Industry

Dangwal, et al., (2007) found that organizational climate, job satisfaction and managerial effectiveness in the context of pharmaceutical industry in India with special reference to Glaxo and Ranbaxy. The main objectives of this study are: (i) to make a comparative analysis of organizational climate, job satisfaction and managerial effectiveness in the organizations under study ranking, (ii) to interrelate age, experience and salary with organizational climate, job satisfaction and managerial effectiveness in the units and (iii) to make suggestions for improvements. Results and data analysis showed that organizational climate and job satisfaction of Glaxo is more favourable with all positive sub factors and higher scores as compared to Ranbaxy. Further analysis revealed that there are such factors such as strong focus structure, responsibility, rewards, leadership and standards in Glaxo (because of highest scores obtained on these factors) as compared to Ranbaxy. This makes Glaxo more system and process-oriented organization.

SPSS output : Rotated Component Matrix

	Component					
	1	2	3	4	5	6
V A R 0 0 0 0 4	. 7 8 0	. 0 2 2	- . 0 8 5	. 3 6 5	. 1 0 4	. 2 5 1
V A R 0 0 0 1 2	. 7 7 6	. 0 6 4	. 0 2 1	. 0 2 6	. 4 1 0	. 0 7 0
V A R 0 0 0 2 0	. 7 5 1	. 3 2 8	. 3 1 7	. 0 1 3	- . 0 1 5	- . 0 2 7
V A R 0 0 0 2 1	. 7 0 9	. 1 8 5	. 1 5 2	. 0 7 1	. 0 3 7	. 0 8 3
V A R 0 0 0 1 9	. 6 8 5	. 1 1 2	. 4 8 4	. 1 6 9	- . 0 8 3	- . 1 1 7
V A R 0 0 0 1 1	. 6 3 5	. 5 7 6	. 0 1 5	. 0 8 4	- . 0 2 2	. 2 0 9
V A R 0 0 0 1 8	. 5 0 4	- . 2 0 1	. 3 7 4	. 4 0 1	. 0 2 6	- . 1 0 4
V A R 0 0 0 1 0	. 0 2 2	. 8 3 1	. 0 6 0	. 0 9 2	. 0 0 9	- . 1 8 7
V A R 0 0 0 1 6	. 4 4 0	. 7 1 1	- . 0 3 9	. 2 6 4	. 0 9 1	- . 0 3 7
V A R 0 0 0 0 3	. 3 1 1	. 5 2 1	. 1 2 9	. 5 0 3	- . 3 0 8	. 0 0 6
V A R 0 0 0 0 6	. 0 7 7	. 5 0 3	. 4 3 9	- . 0 7 6	- . 3 3 3	. 1 4 5
VAR00015*	. 3 8 8	. 4 7 5	. 3 8 5	. 3 2 1	. 0 9 0	. 1 5 7
V A R 0 0 0 1 3	. 3 6 6	- . 0 5 2	. 7 3 8	. 0 1 2	. 1 5 2	- . 0 7 3
V A R 0 0 0 0 9	- . 0 2 1	. 0 5 0	. 7 3 5	. 1 8 8	. 2 6 3	. 1 9 0
V A R 0 0 0 1 4	. 0 4 2	. 5 4 8	. 7 0 2	- . 0 4 1	. 0 5 9	. 0 4 1
V A R 0 0 0 0 5	. 2 5 5	. 1 0 7	. 5 8 4	. 4 8 5	- . 2 8 5	. 0 8 5
V A R 0 0 0 0 1	. 1 2 2	. 0 0 6	. 0 9 6	. 8 3 0	. 0 9 0	- . 2 7 5
V A R 0 0 0 0 2	. 0 5 4	. 3 5 9	. 0 5 6	. 7 1 9	. 0 3 4	. 1 1 9
V A R 0 0 0 1 7	. 2 9 8	. 0 3 4	. 0 8 4	. 5 3 7	. 5 0 2	. 3 9 4
V A R 0 0 0 0 8	. 1 6 8	- . 0 1 0	. 2 0 7	. 0 2 2	. 8 3 2	- . 0 5 6
V A R 0 0 0 0 7	. 1 2 9	- . 0 7 8	. 1 1 0	- . 0 7 8	- . 0 3 3	. 8 9 5

According to the analysis, six factors of Employees Productivity, which are named as: Top Management Motivation and Encouragement, Reliability, Employees Development, Assurance, Job Rotation and Promotion Policies with eigen values greater than 1.0 were obtained and these accounted for 73.38 % of the total variance.

Percentage Contribution of each factor towards the Employee Productivity

From that above table 4.2.3, it is clear that first four factors namely Top Management Motivation and Encouragement, Reliability, Employee Development, Assurance, Job Rotation and Promotion policies are the most important to be considered for improving Employee Productivity of Pharmaceutical Industries because these four factors are contributing 88 percent while other two factors contribute only 12 percent. Hence, it can be concluded that **Top Management Motivation and Encouragement** towards the Employee and **Reliability** leads to positive attitudes among employees. It is suggested that if the first four factors are taken care then other two will automatically follow. It is also suggested that time to time organizations need to Rotate the Job of Employee and provide the Employee Development Programme for improving the quality of work.

The present findings revealed that six factors were found to be significantly affects the Employees Productivity. In accordance with the above study, Nanda and Browne (1977) stated that the factors are important in analyzing the performance of employees at the time of hiring and they found that employees' productivity depends on many factors including level of job satisfaction and motivation.

Suggestions for improvement of Organizational Culture and Employee Productivity

- **Highlight the lower and middle level of employees:** - Many a time's lower and middle level of employees playing a key role in organization and their contribution has hidden by some others. Make time to honor them in front of their peers and private too.
- **Put some creativity in to reward** - when employees achieve the target, a cash bonus may not always be the best way to recognize the achievement. Keep in mind the value of a paid off, giving the time to catch up on personal matters or enjoyment.
- **Show consistent respect and courtesy:** - management understands the value of day-to-day recognition and is appropriately trained in expressing genuine respect for work and effort.
- **Open Communication:** -Organization should take feedback from their employees regarding change business environment, personnel, and promotional policies and solve their problems through proper counselling and guidance through awareness programmes.

- **Coordination and Cooperation:** - Active promotion and positive relation among coworkers and supervisory class is necessary.
- **Transparency:** -Transparency in assessment of individuals and provide opportunities for development.
- **Training and Development:** -Training programmes should be provided; it helps the employees to achieve organizational goals as well as individual goals.
- **Employee Development:** -The major focus should be given to the employee development programme; management must have council them which will improve employee performance.
- **Research and Development:** -This research provides the benefit of comparing business unit, job type, and location that allows you to target solutions where they are needed.

Conclusion

Workplace environments are the most important issues for each organization because they provide stability, self-satisfaction and act as motivator that guide and controls the employees. If employee satisfied with culture, then they work with spirit and enthusiasm working culture affect the performance of employees but it is now decreasing day by day. For this purpose, it is necessary to understand the relationship between Organizational Culture and Employee Productivity especially in Pharmaceutical Industries. The study concludes that the major factors that are responsible for Employee productivity in pharmaceutical industries are Top Management Motivation and Encouragement, Delegation of Authority, Employee Involvement, Assurance, Reliability, Positive Attitude, and Open Interaction.

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