

# **Impact Of Organizational Culture on Job Performance: A Study on Bank Employees In Andhra Pradesh**

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**ABSTRACT:** *Organizational culture was termed as a function within an organization or a company, which focuses on recruitment, management, and guidelines for people who work in it and affects the way in which employees are “connected”. Strategies of organizational culture enable employees to contribute effectively and productively to the overall direction of the company and the achievement of goals. The present study concentrated on the impact of organizational culture dimensions like participation, individual recognition, action orientation, risk attitude, and trust culture. 120 bank employees from the state of Andhra Pradesh were selected using a random sampling technique. Multiple regression analysis was applied with the help of SPSS. Results of the study showed that all the five organizational culture dimensions were significantly influencing job performance.*

**KEY WORD:** *Organizational culture, job performance, banks employees, commercial banks*

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Date of Submission: 15-03-2022

Date of Acceptance: 29-03-2022

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## **I. INTRODUCTION**

As organizational culture defined the function within an organization or a company, which focuses on recruitment, management, and guidelines for people who work in it and affects the way in which employees are “connected”. So, it is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, employee motivation, communication, administration, training etc. It is also a strategic and integrated approach to managing people and culture in their workplace and work environment. Strategies of organizational culture enable employees to contribute effectively and productively to the overall direction of the company and the achievement of goals.

Regarding the banking sector, it is important to know that, despite the fact that banks operate for profit, usually treated as public interest companies. Apart from ensuring deposits of individuals, banks, and the banking system in general, seeks to provide a stable framework for making payments. With the overwhelming volume of transactions carried out every day by individuals and businesses, a safe and acceptable means of payment is vital for the health of the economy.

It is difficult to imagine how a complex economic system would work and avoid serious disturbances if the number of daily transactions could not be completed with a high degree of certainty and security. The banking sector is particularly important for the stability of financial systems. Banks play a central role in the process of money creation and the payment system. In addition, bank credit is an important factor for the financing of investment and growth.

Banking systems have been associated with the boom/rise and the downturn in economic history. Therefore, to maintain the monetary and financial stability of the central bank, supervisors have turned their interest into evaluating the stability of the banking system. In banking regulation, the objective of monetary stability is closely linked to the objective of protecting depositors. The economic crises and involuntary movements of the money supply were hindered mainly by promoting confidence in banks and guaranteeing the safety of deposits. For this reason, regulations are designed to promote the protection of depositors and a stable monetary system transaction while employee satisfaction in the banking sector. That’s why it is important to adopt modern strategies of organizational culture in the banking sector. Hence, the present study is intended to measure the impact of organizational culture strategies and dimensions on the performance of bank employees in Andhra Pradesh

## **II. LITERATURE REVIEW**

Various studies have praised the importance of organizational culture and its influence on job performance among employees. Awadh, A. M., & Alyahya, M. S. (2013) have aimed to assess the relationship between organizational culture and employee performance. A literature review is adopted as a methodology to assess the culture of an organization's impacts upon process, employees, and systems. The study revealed that the organizational culture dimensions like value and norms are identified as important contributors towards employee performance.

Uddin, M. J., Luva, R. H., & Hossian, S. M. M. (2013), have tried to examine the impact of organizational culture on the employee performance and productivity-related to telecommunications companies of Bangladesh. The data were collected from the employees of telecommunication companies spread across the country. The study proclaimed evidently, that the organizational culture of the telecom companies has positively and significantly influenced employee performance.

Shahzad, Fakhar. (2014) has conducted a study on organizational culture factors and employee performance in the software industry in Pakistan. A total of 110 employee responses from different software houses were collected using a structured questionnaire. The questionnaire consists of Customer service, employee participation, reward system, innovation, and risk-taking, and communication system are considered variables for this study. descriptive statistics, correlation, and regression were applied for the analysis and interpretation. The study results revealed that all the factors were significantly influencing the employee performance and employee participation culture stood first among those cultural factors.

Nazir, N., & Zamir, S. (2015), explore the impact of organizational culture on employee's performance. The objectives of study were to determine the relationship between organizational culture and employee's performance, to find out the gender-based differences regarding employee's performance and to find out the gender-based differences regarding organizational culture. Role based performance and organizational culture questionnaires were used. The 20 items questionnaire relating employee's performance and 17 items concerning organizational culture were used to collect the data for study. Sample of 60 employees were taken from different organizations. Mean, standard deviation, t-test and Pearson correlation were used for statistical analysis. The findings indicates that there is positive relationship between employee's performance and organizational culture and also indicates that there is no significant difference in responses between gender of employees regarding organizational culture and employee performance.

Stephen, E. N., & Stephen, E. A. (2016), made an investigation to explore the relationship between organizational culture dimensions and job satisfaction and performance in Nigeria. A sample of 120 employee responses were obtained through structured questionnaire. Suitable statistical techniques like correlation and regression were used for the analysis. The study revealed that the organizational culture influences job satisfaction and job performance of employees and it also proved that the type of organization as key factor in determining the organizational culture.

Kumari, N., & Singh, D. (2018), aimed to study the impact of work culture on the performance of the employees in a leading plastic manufacturer company. Exploratory research was used to gather preliminary information which helped in defining the problems and suggest hypotheses. The relationship between work culture and performance management system (PMS) was studied and the effect of the work culture on performance management system was found out to be 3.1%. Companies

Mohsen, Ahsanullah & Neyazi, Najibullah & Ebtakar, Sarwar. (2020), have focused on to study 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. 211 employees were selected out of total workforce (2000) randomly to collect the data. Findings show the existence of the relationships and influences of organizational culture on the employee performance as whole. However, the extent of this impact is varying based on different sub-elements of organizational culture. Namely, change management, goal achievement, and others

### **Proposed Research Model**

Based on the existing literature, five important dimensions of organizational culture are identified like Participation, Individual Recognition, Risk Attitude, Action Orientation and Trust culture and Employee performance.

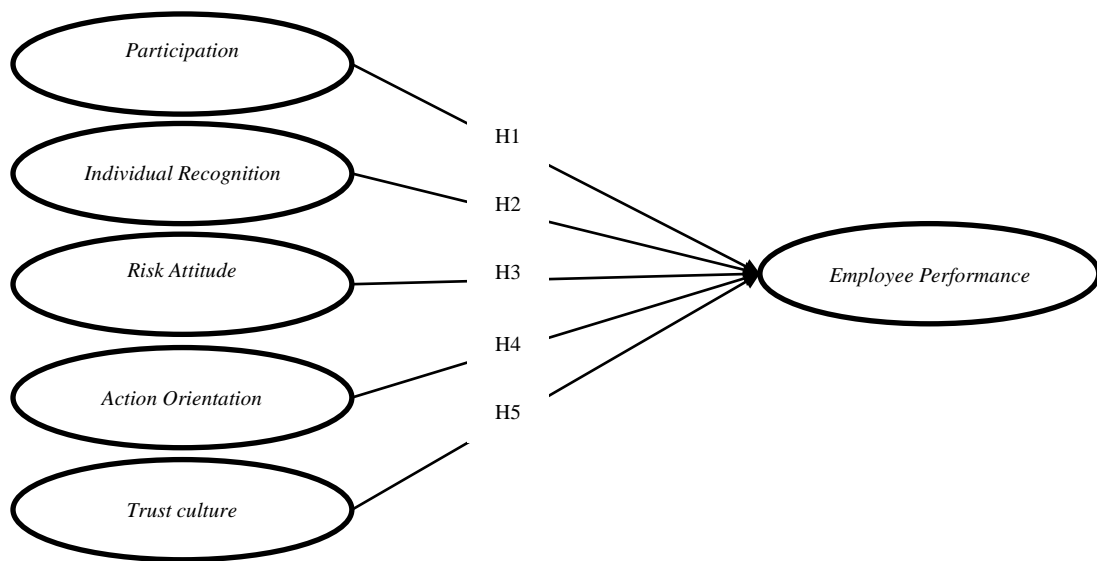


Fig. 1. Proposed Research Model

Hence the hypotheses are formulated as

- H1: Participation affects the job performance of bank employees
- H2: Individual recognition affects the job performance of bank employees
- H3: Risk attitude affects the job performance of bank employees
- H4: Action-orientation recognition affects the job performance of bank employees
- H5: Trust culture affects the job performance of bank employees

### III. MATERIALS AND METHODS

The present study aimed to measure the impact of organizational culture on job performance among the employees of banks located in Andhra Pradesh. For this purpose, 120 bank employees were approached to collect the data. A stratified random sampling technique has been adopted to identify the respondents. A structured questionnaire was used to rate the responses on a five-point likert scale starting from strongly disagree to strongly agree. Out of 150 distributed questionnaires, A total of 120 questionnaires from disabled employee respondents are found valid and suitable to perform analysis. Reliability and descriptive statistics are used for the analysis using SPSS 26.

### IV. RESULTS AND DISCUSSION

For achieving, the hypotheses, the regression model of dimensions of job satisfaction impact on job satisfaction is developed. Job satisfaction dimensions are treated as independent variables and Job satisfaction is treated as the dependent variable in the model. multiple regression analysis is carried through JASP and SPSS. The results are mentioned below.

#### Regression Model Fit

Various measures are used to assess the model fit of the regression model organizational culture impact on the job performance like R<sup>2</sup>, Adjusted R<sup>2</sup>, Akaike’s Information Criteria (AIC), Bayesian information criteria (BIC), and Root Mean Squared Error (RMSE).

TABLE 1  
Model Summary

Model	R	R Square	Adjusted R Square	AIC	BIC	RMSE
OC->JP	.737 <sup>a</sup>	.543	.537	1153	1181	1.0

a. Predictors: (Constant), Pa, IR, RA, AO, Tr

The results of the regression model, organizational culture impact on job performance are presented in table 1. R<sup>2</sup> explains the proportionate variance explained by organizational culture in prediction of job performance. It means that 0.543 or 54% of variation in job performance is explained organizational culture.

Adjusted R2 describes the explanatory power of multiple predictors in the regression model. AIC, BIC and RMSE values denote that the regression model is found accurate.

**Regression model reliability and validity**

Item factor loadings and Cronbach’s alpha are used to assess the reliability and validity of the regression model.

**TABLE 2**  
**Regression Model Reliability and Validity**

<b>Code</b>	<b>Item</b>	<b>Factor Loading</b>	<b>Average Loading</b>	<b>Cronbach</b>
<b>Pa1</b>	Everybody is encouraged to participate in meetings	0.945	0.94	0.921
<b>Pa2</b>	Speaking out the truth, even if it is bitter, is encouraged	0.943		
<b>IR1</b>	My boss trusts me to deliver on his/her expectations	.926	0.92	0.905
<b>IR2</b>	My supervisor believes that good ideas and solutions to problems can come from any member of the group	.900		
<b>IR3</b>	My organization makes the best possible use of my intellectual capacity	.924		
<b>RA1</b>	If individuals in my organization make an error, they will usually try to cover it up	.951	0.90	0.874
<b>RA2</b>	There are ‘holy cows’ that seldom get questioned	.927		
<b>RA3</b>	Most members believe in maintaining status quo	.907		
<b>RA4</b>	In our meetings most decisions are expected to be finally taken by the boss	.805		
<b>RA5</b>	If I do not agree with my supervisor, I feel comfortable voicing my views	0.909		
<b>AO1</b>	In this organization a lot of discussions happen but very little seems to get done	0.801	0.75	0.621
<b>AO2</b>	A number of projects are initiated with gusto and enthusiasm but they don’t seem to get anywhere	0.763		
<b>AO3</b>	We believe in the precept— ‘nothing ventured, nothing gained’	0.698		
<b>TR1</b>	Most people in my organization can be relied upon to keep their promises	0.925	0.91	0.899
<b>TR2</b>	I believe that my colleagues are well-intentioned individuals	0.914		
<b>TR3</b>	I believe that my boss will treat me fairly while appraising my performance	0.898		
<b>JP1</b>	I managed to plan my work so that it was done on time	.848	0.81	0.891
<b>JP2</b>	My planning was optimal	.820		
<b>JP3</b>	I kept in mind the results that I had to achieve in my work	.817		
<b>JP4</b>	I knew how to set the right priorities	.811		
<b>JP5</b>	I was able to perform my work well with minimal time and effort	.803		
<b>JP6</b>	Collaboration with others was very productive	.764		

The reliability and validity results of the regression model influencing factors of job satisfaction are presented in the above table. Factor loading and Average Loading values indicate convergent validity and Cronbach alpha denotes the reliability of the model. all the factor loadings and average factor loading are well

above the standard value >0.5. Cronbach alpha for the dimensions is also meeting the minimum requirement of >0.7. hence, it is deemed that the regression model possesses reliability and validity.

**Regression Model Significance**

ANOVA is performed to identify the statistical significance of the model. ANOVA results are presented in Table 3. It explains the overall significance of the regression model Organizational culture dimensions impact job performance among bank employees. Residual values, F value, and p values are used to judge the significance of the model.

**TABLE 3**  
**ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	111.750	5	82.350	93.555	.000 <sup>b</sup>
Residual	146.810	114	.880		
Total	258.560	119			

a. Dependent Variable: JP

b. Predictors: (Constant), Pa, IR, RA, AO, Tr

The results of the ANOVA show that the residual sum of squares between actual and estimated 146.810 with F statistic 93.555 is significant as the resulted p-value 0.000 is less than 0.05. So, the model is found statistically significant and it can be said that at least one of the five organizational culture dimensions is going to be significant.

**Specific path effects**

Regression-specific path estimates and effects with significant values are presented in table 4. Standardized estimates, t statistic, and p values are used for assessing the path effects in the linear regression model.

**TABLE 4**  
**Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.110	.162		-.681	.496
Participation	.117	.051	.103	2.306	.022
Individual Recognition	.244	.053	.219	4.603	.000
Risk Attitude	.120	.045	.119	2.659	.008
Action Orientation	.336	.063	.306	5.333	.000
Trust	.156	.062	.140	2.516	.012

a. Dependent Variable: JP

Positive unstandardized co-efficient beta values for participation (.103), individual recognition (0.219), Risk Attitude (0.119), Action Orientation (0.306), and Trust (0.140), meaning that there is a positive relationship between these five dimensions with employee job performance. P values for all the five individual paths from Pa->JP (0.022), IR->JP (0.000), RA->JP (0.008), AO->JP (0.000) and Tr->JP (0.012) are less than significant value 0.05 denotes that, all these five paths affect employee job performance related to banks in Andhra Pradesh.

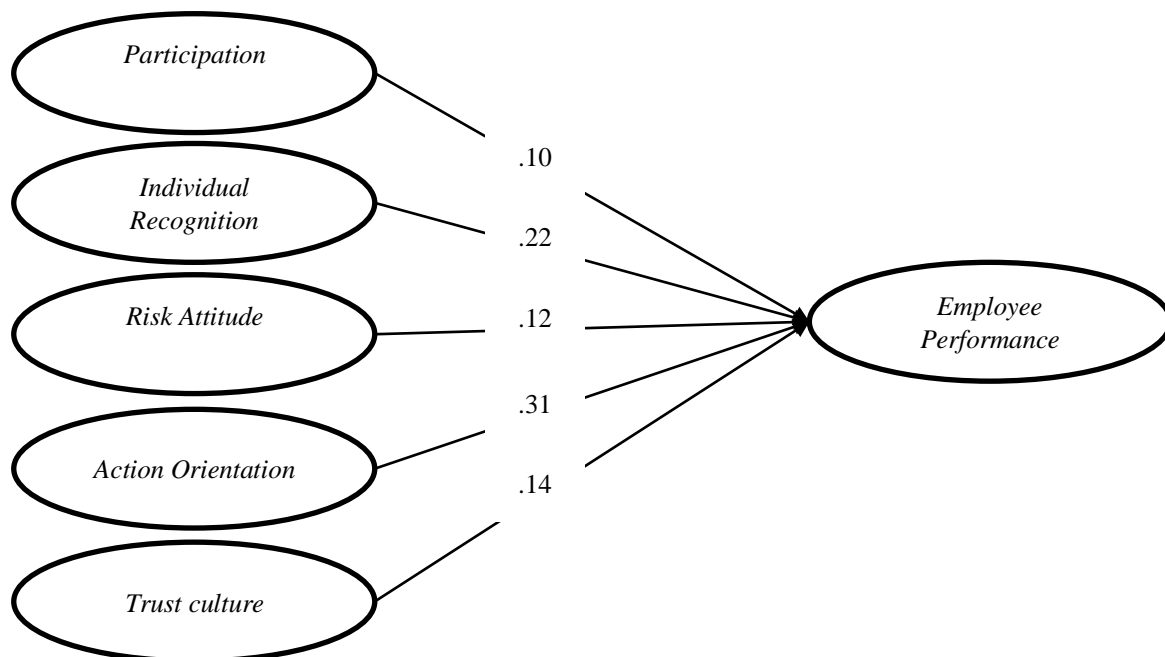


Fig. 2 Empirical Model

Standardized Regression co-efficient beta values explain the size of the effect of organizational culture dimensions on job performance in the model. Standardized Beta value for the path AO->JP (0.306) is maximum followed by IR->JP (0.219), Tr->JP (0.140), RA->JP (0.119) and Pa->JP (0.103). It means that 30% of the positive influence is stretched out from action Orientation alone. Hence, the framed hypothesis “H1, H2, H3, H4, and H5 are supported.

## V. CONCLUSION

The study intended to assess the overall impact of organizational culture dimensions like participation, individual recognition, risk attitude, action orientation, and trust on the job performance of bank employees in Andhra Pradesh. All the five formulated hypotheses were supported. Among all the five direct paths, AO-> JP (0.306) is found highest impact followed by IR->JP (0.219), Tr->JP (0.140), RA->JP (0.119) and Pa->JP (0.103).

## VI. FUTURE SCOPE

As the present study concerned only about five organizational factors, further studies may concentrate on other organizational culture factors like openness, work culture, partnership at work, etc. The study focused on the clerical level employees, future studies may consider other stakeholders like managerial, officers, etc. The study sticks to the state of Andhra Pradesh, further studies may show interest in the geographical regions like Telangana, etc,

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