



The Impact of Organizational Culture on Employee Engagement and Performance

Marwa Mansour
American University of Afghanistan (Graduate Student)

Abstract

Most of the organizations give less concern and attention on the traditional culture activities because there is lack of understanding and awareness of impact of organization culture on employee engagement and performance. Culture is a system of values, beliefs and behaviors that shape how work gets done. Also, engagement is the employee's level of commitment to the organization. According to Kandula (2006), "the key to good performance of employee is having a strong culture" P. (48). A positive and good culture can make individual performance brilliant and help employees to achieve the company's goals and target. Whereas a negative and weak culture can demotivate the employee and as a result nothing will be achieved. Therefore, organizational culture has an active and direct effect in performance of employee.

Key Words: Organizational Culture, Employees, Engagement, Business, Leadership.

Introduction

The reason behind the failure of many companies and not achieving their goals is the negative culture environment. A negative culture environment in the workplace cause ambiguity, poor communication, and inconsistency. If the culture in the company is not improving engagement, employee may lack connection to the work, as well motivation to work for the best outcome. A weak culture does not attract people to work or do business with a company. In contrast, a great and positive culture can inspire employees to be more productive and positive at work. It also promotes productivity, engagement, and improved employee experience. Thus, it is important to conduct this research to find some solutions for those organizations that have week culture.

The problem in most companies is that there is a lack of understanding and awareness of the impact of organization culture on employee engagement and performance. This lack of knowledge prevents the organization from creating a positive and supportive culture that fosters a

high level of employee engagement. Without understanding the relationship between organization culture and employee engagement, organizations may face challenges in developing effective strategies. Therefore, it is curial to address this problem to improve organizational performance. If a company significantly considers its employees' cultures, their employees will be happy and more productive in the workplace. Obviously, there will be a big difference in the workplace when employees feel connected and engaged. Companies still do not understand how to engage and motivate employees in the workplace by evaluating companies' culture. Thus, this research will attempt to investigate more about the impact of organizational culture on employee performance and engagement by asking the following research questions:

1. To what extent do employees believe that organizational culture influences their motivation and performance?
2. How does the perceived organizational culture affect an employee's level of engagement within the workplace?
3. In what ways do employees interpret and experience the organizational culture, and how does this interpretation relate to their engagement and performance?
4. How do variation in organizational culture across different department with organization in Kabul influence employee engagement and performance?

Briefly, this research will aim to address the gap and the questions mentioned above, so the organization can better develop its strategic plan and can achieve its goals by inspiring their employees to have commitment toward the organization.

Literature Review

The origin of organizational culture has been developed by Deal and Kennedy (1982). Deal and Kennedy believed that organizational culture plays an important role in performance within the organization. So, they focused on organizational culture concept. Moreover, organizational culture has been the topic of study for many years and many scholars share their opinion regarding it. Deal and Kennedy (1982) defined organizational culture in four generic types of culture, namely the tough-guy/macho culture, the work-hard/play-hard culture, the bet your company culture and the culture of the process. Additionally, Handy (1985) clarified organizational culture by using four types of classification, namely cultures of power, position, task, and person.

Concepts of Organizational Culture

Culture is the shared values, beliefs, customs, and behaviors that shape the way of life for a group of people. Aristotle said, "We are what we repeatedly do." This means that repeated behavior or habits develop culture. The set of culture-value, customs, and beliefs- also shapes behaviors in an organization. Therefore, organization culture means commonly held beliefs that guide behavior and manner in an organization (Cancialosi, 2017). Organization culture has literally been described by many different scholars. Needle (2004) stated that the culture in the organization includes vision, values, norms, beliefs, and language. In addition, Schrodts (2002) defined organizational culture as: "Culture is a set of shared assumptions that guide what happens in organization by defining appropriate behavior for various situation" (p. 87). Organizational culture has an impact on the way employees and people interact with each other. Besides,

organizational culture also has a huge effect on the way employees communicate with clients, stakeholders, and customers. (Schrodt, 2022). Understanding culture is essential in any society, or organization. By understanding culture, people in a society or in an organization will be able to overcome or prevent any racial and ethical issues which will cause misunderstanding in the organization.

According to Nelson & Quick (2011), “organizational culture has four essential functions: gives members a sense of identity, increases their commitment, reinforces organizational value and serves as a control mechanism for shaping behavior” (p. 23). Leaders’ behavior, beliefs, standards and priorities and the HR rules in an organization or a company shape and fortify the culture of that organization. Moreover, Schein (2002) also mentioned that the standard and rules of organization culture will lead to effective culture management.

Theoretical Review

Several researchers have been discussing different theories related to organizational culture. They came with four different theories namely, Consistency Theory, Involvement Theory, Mission theory and Adaptability Theory (Oja, 2008). These theories focused on analyzing the employee’s behavior and belief in an organization from different perspectives. In the below paragraphs different types of theories have been explained in detail.

Consistency Theory

Consistency theory emphasizes that organizations must have strong, highly consistent, well-coordinated, and well-integrated culture (Davenport, 1993). It means that organizations should have clear norms for everyone’s behaviors and should follow them. In addition, having strong cultures that are highly consistent at work will lead to producing a high quality of work. Moreover, Senge (1990) stated that consistency is a powerful source that helps the organization to be successful. Consistency theory focuses on the importance of having a workplace that supports employee’s beliefs and values. Understanding the consistency theory can contribute to the motivation and well-being of an employee and it also impacts organizational performance.

Involvement Theory

The main idea of this theory is that collaboration and contribution will bring a sense of responsibility and possession (Beker, 2002). Moreover, Bekar (2002) also stated that effective organizational culture will empower people within an organization and improve human capability at all levels. Administrators, chief, director, and employees are heartily attached to their work and they feel that they own a piece of the organization. Additionally, people at all levels feel that their task is directly associated with the goal of the organization or company, and they feel that they play an important role in decision making which will affect their work.

Adaptability Theory

The adaptability theory indicates that some principles and beliefs will increase an organization’s ability in receiving, interpreting, and translating signals from the environment. Those signals are important to the internal situation of the organization. Then, the organization

will change some behavior to promote its survival, growth, and development (Kanter,1993). “Adaptable organizations are driven by their customers, take risks and learn from their mistakes and have the capability and experience at creating change” (Nadler & Senge, 1990, p.76). So, adaptable organizations are continuously altering their structure to upgrade improvements and provide value for their customers (Stalk, 1988).

Mission Theory

This theory focused on the mission, vision, and goals of an organization since if the mission and goals of an organization changes, there will be some changes in organization culture as well. As Ahmad (2012) mentioned that when there are changes in an organization’s mission, some changes will also happen in the organization’s culture. The mission theory analyzes different aspects of culture and more importantly, it stresses different functions of culture.

In conclusion, consistency theory and mission theory will increase stability in an organization while involvement theory and adaptability theory allow some change and adaptability in an organization. Additionally, consistency theory and involvement theory see culture as focusing on internal organization while mission theory and adaptability theory see culture as addressing the relation of the organization to its external environment (Baker, 2004).

Hypotheses

The following hypotheses will provide a framework for testing the relationship between organizational culture, employee engagement and performance.

Hypothesis 1:

- Null Hypothesis: There is no significant relationship between perceived organizational culture and levels of employee engagement.
- Alternative Hypothesis: Positive or negative variations in perceived organizational culture significantly impact level of employee engagement.

Hypothesis 2:

- Null Hypothesis: Cultural factors within the organizational in Kabul have no significant effect on employee performance.
- Alternative Hypothesis: Specific cultural elements within the organization influence employee performance outcome.

Hypothesis 3:

- Null Hypothesis: The interpretation and experience of organizational culture have no significant correlation with employee engagement and performance.
- Alternative Hypothesis: Employee interpretation and experience of organizational culture correlate with level of engagement and performance.

Hypothesis 4:

- Null Hypothesis: Variations in organizational culture across different departments do not significantly impact employee engagement and performance.
- Alternative Hypothesis: Differences in organizational culture across departments significantly influence employee engagement and performance.

Methodology

This study will examine the impact of organization culture on employee engagement and performance. This part of the paper presents the overall research design. It explains the methodology of the study including the research design, participants and sampling, data collection method and data analysis procedure in a detailed way.

Research design is a guidance for collecting and analyzing data for research (Cooper & Schindler, 2001). In the research design, the researcher can follow two research designs which are qualitative and quantitative designs. Creswell and Plano-Clark (2001) said that qualitative research design provides more valid data, and it investigates participants' perceptions in more depth which enriches the results. Due to this, this research will use qualitative research design for collecting the data. Moreover, this study will use interviews and observation to gather data on participant perceptions of the effect of organization culture on employee engagement and performance.

Sample means chosen the participants for a study and sampling means selecting people, or events that you want to conduct your research on them. This qualitative research will employ random sampling technique sampling to collect relevant experiences related to the research topic. The Participants will be purposefully chosen to form one of the organizations in Kabul. Moreover, participants will be approached through email invitation or phone calls and their voluntary participation will be emphasized. After choosing the participants, data will be collected from them.

Data collection is the process of gathering relevant information to find out solutions to research problems and questions. This study will employ a qualitative research design to comprehensively investigate the impact of organizational culture on employee performance. Thus, surveys with open-ended questions will be distributed to a sample of employees from the target organization. Respondents will be asked to rate their perspective of various cultures. Furthermore, data will be collected through interviews as well to increase the reliability of the study. Both interview and questionnaire will encompass open-ended questions. Interview will be conducted individually with each interviewee which will be last approximately for 10 minutes. The interview will be designed to allow participants to share their experience and perceptions. In addition, each interviewee will be asked the same set of questions that include their views about organization culture. After gathering all the answers obtained from the interview section, the responses will be evaluated.

Data from the qualitative interviews will be analyzed thematically. Thematic analysis will involve a systematic process of data coding and categorization. Codes will be generated through labeling and categorizing the data that are related to specific topics or concepts. And those initial codes capture meaningful ideas and concepts for the data. Then, the theme was created, and the finding has been reported.

To sum up, the above research methodology will be utilized for the study. It will allow for a comprehensive examination of the relationship between organizational culture and employee performance. Data gathering through qualitative research design and interview and questionnaire will be used.

Data Collection

Specific data will be gathered to explore the impact of organizational culture on employee engagement and performance. Qualitative data will play an important role in understanding participants perception into the impact of work culture on their motivation and performance. The participants of this study will be from one of the organizations in Kabul. The participants will be chosen from different sections and levels within the organization to ensure their voluntary participation. The research will be conducted on the organization's employees and manager since their perspective will enrich the qualitative data. Their perspective into impact of work culture on their motivation will be assessed through in-depth interview, survey with open-ended questions and focus group discussion. These interviews, surveys and group discussion will help the participants to convey their thoughts, experiences, and feelings regarding the influence of organizational culture on their engagement and performance. To gather this data from the participants, some sources will be needed such as interview guides, survey platforms, and audio recording devices. Additionally, recording devices will be used, with participants consent, to record their interviews. Lastly, as a small token of appreciation, appreciation certificates will be given to participants for their contribution to the study.

Conclusion

In conclusion, this research proposal aims to explore the relationship between organizational culture, employee engagement and performance. This study will look at the organizational culture effects on how engaged employees are and how well they perform. The problem statement of the research is that most organizations are unable to create a positive and supportive environment that will enhance employee engagement. In most of the organizations there is a lack of clear understanding of organizational culture. Since organizations do not know the effect of a good culture on employee engagement and performance, they might face challenges in creating a positive workplace. Therefore, this research will be conducted to find out how having positive work culture can make an employee's performance better. This research is worth investigating since the results will help organizations make their workplace more appropriate. Additionally, this research is a unique one since it will give practical ideas to organizations to lead their team better. The result of this research will also help the organization to keep their employees motivated and happy. The research will also advance existing knowledge by providing useful insights about the importance of organizational culture on employee engagement and performance.

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