

# Organizational Culture and Organizational Performance: A Review of Literature

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**ABSTRACT:** Organizational culture is an essential component of an organization that has evoked various studies to determine and establish its' relationship with organizational performance and sustainability. It has always been considered to have deep impact and importance on the variety of organizational process, employees and its performance and an important element to unify various company cultures in the corporate group structure (Kenny, 2012). The purpose of this review article is to establish the relationship between organizational culture and organizational performance. The objective is to determine the influence of organizational culture on organizational performance focusing on Schein's theory of organizational culture, Denison organizational culture model and theory of organizational excellence by Thomas Peters and Robert Waterman. Research shows that if employee are committed and have the same norms and value as the organizations, it could increase performance towards achieving the overall organization goals. The review includes syntheses of the relevant literature relating to the role of organizational culture in enhancing performance and productivity in the organization. The review concludes that organizations employees have clear spelt out work ethics, are like-minded and hold similar beliefs and values, guided by values of consistency, adaptability and effective communication system, gives employees a sense of identity which increases their commitment to work and ultimately leads to better performance.

**Keywords:** Organizational culture, Corporate culture and Organizational performance.

## I. INTRODUCTION

Organizational culture, as a concept, has been studied in various different disciplines ranging from social anthropology to industrial-organizational psychology (Schein, 2010) cited in

Alshamari, (2017). Organizational culture can be defined by its aspects (Nahavandi & Malekzadeh 1993), dimensions (Van der Post, et al. 1997; Lee, & Yu 2004; Quinn & Cameron 1983), traits (Denison & Mishra 1995), elements (Quinn & Cameron 1983; Weber & Camerer 2003) as cited in Tandonet al, (2018). The word culture has been derived from idea of cultivation which means the patterns of development. Sometimes known as "corporate culture" (Childress, 2013), corporate culture is used to denote the more commercialized meaning of organizational culture (Deal & Kennedy, 1982).

A focus on organizational culture over the decade has increasingly become a major component of everyday organizational functioning because performance has been perceived to depend on the organization's culture. The performance management challenge has equally attracted attention of researchers in management. A study of culture within the organization shows that workers think the same way and are guided by the same ideas about the business (Racelis, 2010). There has been significant research in the literature to explore the impact of organizational culture on employee performance and productivity. For instance, scholars (Hofstede, 1980; Ouchi, 1981; Hofstede & Bond, 1988; Kotter and Heskett, 1992; Magee, 2002) claim that organizational culture could be used for measuring economic performance of an organization. Stewart (2007) opined that to ensure profitability is the goal of any organization, and one of the best places to start improvements is with an examination of the organization's work culture. He states that the strongest component of the work culture is the beliefs and attitudes of the employees. An organization's cultural norms are assumed to affect all who are involved with the organization. Those norms are almost invisible, but if performance and profitability are to be improved,

norms are one of the first places to consider (Stewart, 2010).

Many business managers struggle to survive in a competitive global market because of challenging characteristics in business (Bolboli & Reiche, 2014). The challenges include increasing global price competition and satisfying demands of different stakeholders (Bolboli & Reiche, 2013). Over the last few decades, there have been phenomenal changes in organizational management in the world (Schein, 2011). This has been attributed to new aggressive competition in the marketplace alongside the growing diverse employees in many organizations (Rhine & Christen, 2012). The complexity of business environment has also forced organizations to search for more efficient management strategies. As a result, a focus on organizational culture is getting great prominence in the business sector. According to Kotter (2012) organizational culture has a direct impact on a variety of organizational variables. Research also shows that if employees are guided by the same norms and values in their organization, their performance would improve (Hofstede, 2007). The success stories of reputed organizations reveal that sustained competitive advantage could be attributed to continued internal innovation through a set of beliefs, values and shared norms in the organization. These beliefs, values and principles symbolize the culture of an organization (Morgan, 1997) and function as a source of management practices for the organization. It heavily influences decision making, policy formulation, leadership style and overall working environment within an organization (Hofstede & Hofstede, 2005). Strong cultural values are said to promote innovation, internal flexibility, better utilization of human capital (Robbins, Judge, & Sanghi, 1994) and enduring strategic goals in an enterprise.

The first systemic attempt to describe working environment in terms of culture is considered in the study by Hawthorne at the Western Electric Company in the early 1930s. The aim of the study was to examine if factory employees would become more productive in response to the fact that they know they are being studied. Worker's productivity was measured in different level of illumination, clean work stations and floors without obstacles. The results obtained showed positive correlation between productivity and work environment. Mayo and Warner's study, between 1931-1932, revealed the formation of cliques with informal rules of behaviour and internal support. Employees were found to be

more responsive to the social force of peer group than to the incentives and control of managers (Mayo, 1945).

Schein's theory of organizational culture focuses on the basic underlying organizational assumptions, espoused values and artifacts and how their linkages can influence performance (James & Jones, 2005). Schein (1985) proposed that organizational culture serves the dual roles of adaptation to changes in the environment external to the firm and enabling internal integration.

Denison's (1990) culture identified four elements of organizational culture model as involvement, consistency, adaptability, and mission. He posited that the four organizational culture model elements are essential in developing and maintaining an effective organizational culture in the organization (Kotrba et al., 2012). The theory of organizational excellence by Thomas Peters and Robert Waterman (2014) states that a good organization is characterized by a preconceived notion leaning toward its accomplishment, being focused on the customer, self-sufficiency and skills of doing business. The theory also considers culture as a component of an integrated social system serving the common good, thereby promoting organizational performance and the well-being of all its stakeholders (Smelser, 2005).

## II. LITERATURE REVIEW

### Organizational Culture

Culture has been called "the way of life for an entire society." The culture of a group can be defined as: "A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems" (Schein, 1990). In other words, as groups evolve over time, they face two basic challenges: integrating individuals into an effective whole, and adapting effectively to the external environment in order to survive. As groups find solutions to these problems over time, they engage in a kind of collective learning that creates the set of shared assumptions and beliefs that are called "culture." It is the set of shared values, beliefs, and norms that influence the way employees think, feel, and behave in the workplace (Schein, 2011). Culture is the social glue that keeps organizations integrated and controlled through informal, non-structural means – shared values, beliefs, understandings and norms. Culture in this sense contributes to the avoidance of fragmentation, conflict and tension. Culture serves as a sense-

making and control-gaining mechanism that can guide and shape attitudes and behaviors (Alvesson, 2002). It has also been described as a set of values, beliefs, and behavior patterns that differentiate one organization from other organizations (Ortega-Parra & Sastre-Castillo, 2013). King (2012) defined organizational cultures as a system of values that subconsciously and silently drive people to make each choice and decision in the organization. Organizational culture includes the norms that the members of an organization experience and describe as their work settings (Schneider et al., 2013). Such norms shape how members behave and adapt to get results in the organization. It has been described as how the members of an organization interact with each other and other stakeholders (Simoneaux & Stroud, 2014). Another successful –and perhaps more specific definition of organizational culture has been given by Claver, et al (2001), which states that “organizational culture is a set of values, symbols and rituals, shared by the members of a specific firm, which describes the way things are done in an organization in order to solve both internal management problems and those related to customers, suppliers and environment”.

Although there is no consensus on the definition of organizational culture, a cursory look at most of the definitions indicated that organizational culture definitions share a number of specific characteristics. First of all, they all include the concept of sharing, indicating that organizational culture is only developed within groups. Secondly, organizational culture is considered to be a social construction, related to each organizations and employees’ location, history, working environment and specific events. Thirdly, many definitions imply that organizational culture is multidimensional and multileveled and includes many cognitive and symbolic strata. Finally, most authors also agreed that organizational/corporate culture referred to something that is holistic, historically determined (by founders or leaders), related to things anthropologists study (like rituals and symbols), socially constructed (created and preserved by the group of people who together form the organization), soft, and difficult to change. The definitions by Schein (1990) and Claver et al (2001) for instance, seem to share some similarities in terms of the artifact but differ in that Schein emphasized that culture is a dynamic evolving process while Claver et al assumed the mechanical existence of culture.

### Evolution of Organizational Culture Concept

The concept of organization culture received attention in the late 1980s and early 1990s as management scholars were exploring how and why the American companies failed to compete with their Japanese counterparts. The concept of a national culture was not a sufficient explanation to this phenomenon. Instead, a model was needed that allowed for differentiation between organizations within a culture (Schein, 1990). This ultimately resulted to the concept of organizational culture. According to Brooks the current fascination with organizational culture began in the 1970s and early 1980s with the works of Peters and Waterman (1982), Deal and Kennedy (1982) among others. In 1952, Jacques referred to culture of a factory as ‘its customary and traditional way of thinking and of doing things which is shared and which new members must learn’ (Jacques, 1952, cited in Ojo (2014). He argued that culture comprised behaviours, attitudes, customs, values, beliefs, and the less conscious conventions and taboos.

According to Baker (2002) organizational culture became a business phenomenon in the early 1980s, triggered by four influential books which includes that of Ouchi (1981) *Theory Z: How American Business Can Meet the Japanese Challenge*, Pascale and Athos (1982) *The Art of Japanese Management: Applications for American Executives*, Deal and Kennedy (1982) *Corporate Cultures: The Rites and Rituals of Corporate Life* and Peters and Waterman (1982) *In Search of Excellence: Lessons from America’s Best Run Companies*. All these books suggested that corporate culture is a key to organizational performance and that corporate culture could be managed to improve a company’s competitive advantage. Attention to organizational culture lost ground as organizational science, and social science in general, became increasingly quantitative. To the extent that research on organizational culture survived, its focus shifted to its more measurable aspects, particularly employee attitudes and perceptions and/or observable organizational conditions thought to correspond to employee perceptions.

### Organizational Performance

Organization performance has been the most important consideration for every organization, be it profit or non-profit organization. It has been very important for managers to know which factors influence an organization’s performance in order for them to take full advantage and appropriate steps to initiate them. Organizational researchers among themselves have

different opinions of performance as it continues to be a contentious issue. (Barney, 1997). According to Daft (2000), organizational performance is the organization's ability to attain its goals by using resources in an efficient and effective manner. Quite similar to Daft (2000), Richardo (2001) defined organizational performance as the ability of the organization to achieve its goals and objectives. According to Cascio (2014) organizational performance is the degree of attainment of work mission as measured in terms of work outcome, intangible assets, customer link, and quality services. Kaplan and Norton (2001) defined organizational performance as the organization's capacity to accomplish its goals effectively and efficiently using available human and physical resources. This definition provides the justification for organizations to be guided by objective performance criteria when evaluating employees' work based performance. This is also helpful in evaluating the achievement of the organizational goals as well as when developing strategic plans for the organizations' future performance (Ittner & Larcker, 2012).

Although many studies have found that different companies in different countries tend to emphasize on different objectives, literature suggests financial profitability and growth to be the most common measures of organizational performance. Conversely, researchers have argued that no one definition is inherently superior to another and the definition that a researcher adopts should be based on the disciplinary framework adopted for the study (Cameron & Whetten, 1983).

### Measurement of Organizational Performance

The purpose of performance measurement is to assist in decision making and to understand progress towards meeting the outcomes of the Strategic Plan and Action Plans. Strategic Plans and Action Plans typically have associated objectives. One of the more difficult tasks for managers is identifying indicators that demonstrate progress towards achieving objectives. Moving towards this outcomes-based approach is no easy task. Organizational performance has suffered from not only a definition problem, but also from a conceptual problem as stated by Hefferman and Flood (2000). They stated that as a concept in modern management, organizational performance suffered from problems of conceptual clarity in a number of areas. The first was the area of definition while the second was that of measurement. The term performance was sometimes confused with productivity. As opined by Hofer (1983), different fields of study will and should use different

measures of organizational performance because of the differences in their research questions. Ricardo (2001) suggests that there is a difference between performance and productivity. Productivity is a ratio depicting the volume of work completed in a given amount of time while performance is a broader indicator that can include productivity, quality, consistency, results, behaviors (criterion-based) and relative (normative) measures, education and training concepts and instruments, including management development and leadership training for building necessary skills and attitudes of performance management (Richard, 2002) as cited in Rehman (2012).

Many researchers have used managers' subjective perceptions to measure beneficial outcomes for firms. Others have preferred objective data, such as return on assets. Scholars have widely established that there is a high correlation and concurrent validity between objective and subjective data on performance, which implies that both are valid when calculating a firm's performance (e.g., Dess & Robinson, 1984; Venkatraman & Ramanujan, 1986). As seen in the literature on organizational performance, performance is all about achieving the objectives that organizations/firms set for themselves. The objectives of an organization/firm could be financial, that is to say, profit-making or non-financial such as spreading awareness about a particular issue in a community.

Organizational performance could be categorized under two categories: financial and non-financial. The profitability of an organization is an important financial indicator to reflect the efficiency of the organization and the owners/managers ability to increase sales while keeping the variable costs down (Davis et al., 2000). Profit margin, return on assets, return on equity, return on investment, and return on sales are considered to be the common measures of financial profitability (Robinson, 1982; Galbraith & Schendel, 1983). Non-financial measures include job satisfaction, organizational commitment, and employee turnover (Mowday, Porter & Steers, 1982; Mayer & Schoorman, 1992; Hosmer, 1995; Rich, 1997; Zulkifli & Jamaluddin, 2000).

Although there is a range of other behaviors that could be used for measuring performance, Borman and Schmit (2012) emphasize judgmental and evaluative processes that take a great deal of action when defining performance. According to Ittner and Larcker (2012) organization performance is a broader concept whose indicators include productivity,

quality, consistency, efficiency as well as relative measures such as management development and leadership training for building necessary skills and attitudes among the workers. Organizational performance can also be conceptualized in terms of net income, revenue, number of employees, physical expansion, increased market share and financial sustainability (Kotter, 2012). According to Richard (2013) organizational performance covers financial performance which includes profits, return on assets, return on investment, sales volumes, market share and shareholder return. In fact, the conceptualization of business performance in strategic management research usually revolved around the use of financial indicators. Thus, indicators based on financial measures such as sales growth, profitability, and earnings per share have been used by researchers.

An organization's performance depends on many factors, such as the efficiency of business processes, employee productivity, how effectively organizations meet their objectives, the alignment among business functions, as well as those functions' alignment with the organization's strategy, and organizational culture and climate (Smith, 2019). All of these contribute to how efficiently an organization operates and how well it performs in the marketplace. Therefore, the organization's performance is a function of the potential return to the inculcation of strong culture into the organization's systems enabling it to execute its routines (Rehman, 2012).

### **Organizational Culture and Performance**

Several writers argue that a strong corporate culture is good for business because it serves three important functions. First, corporate culture is a deeply embedded form of social control that influences employee decisions and behaviour. Second, corporate culture is the social glue that bonds people together and makes them feel part of the organizational experience. This social glue is increasingly important as a way to attract new staff and retain top performers. Finally, corporate culture assists the sense-making process i.e., it helps employees understand organizational events enabling them to communicate more efficiently and effectively thereby reaching higher levels of cooperation with each other because they share common mental models of realities (McShane and Glinow, 2005).

The powerful, pervasive role culture plays in shaping organizational life lends credibility to speculations that cultural factors may be linked with exceptional levels of organizational performance. A commonly hypothesized link

suggests that if an organization's culture is to contribute to or enhance performance, it must be both "strong" and possess distinctive "traits": particular values, beliefs, and shared behaviour patterns. Some scholars have claimed that positive cultural traits boost performance in proportion to the strength of their manifestation. This view has been called the strong culture hypothesis. (Denison, 1984) cited in Saffold (1988).

Strong, powerful cultures have been hailed as keys to improved performance and as almost always being the driving force behind continued success in businesses. Firms with strong culture are said to generate an almost tangible social force field of energy that empowers employees and drives the organization toward superior performance. Several management researchers have connected strongly shared values with commitment, self-confidence, ethical behaviour, and reduced job stress (Saffold, 1988).

It could be deduced from the above explanations that some firms may obtain sustained superior financial performance from their organizational cultures; firms without such cultures cannot expect to engage in managerial activities that generate such performance. According to Barney (1986) in order for a firm's culture to provide sustained competitive advantages, and thus, by implication, be a source of sustained superior financial performance, three conditions must be met. First, the culture must be valuable; it must enable a firm to do things and behave in ways that lead to high sales, low costs, high margins, or in other ways add financial value to the firm. Because superior financial performance is an economic concept, culture, to generate such performance, must have positive economic consequences. Second, the culture must be rare; it must have attributes and characteristics that are not common to the cultures of a large number of other firms. Finally, such a culture must be imperfectly imitable; firms without these cultures cannot engage in activities that will change their cultures to include the required characteristics, and if they try to imitate these cultures, they will be at some disadvantage (reputational, experience, etc).

Deal and Kennedy (1982) state that cultures, both weak and strong, have powerful influence on organisational behaviour. However, in strong cultures "everyone knows the goals and strategic vision of the corporation, and they are working together towards achieving them. Thus, in a strong culture employees' goals are aligned with management's goals while in a weak culture,

members' goals differ from management's strategic direction.

It could be drawn from all the explanations above that firms with sustained superior financial performance typically are characterized by a strong set of core managerial values that define the ways they conduct business. It is these core values (about how to treat employees, customers, suppliers, and others) that foster innovativeness and flexibility in firms; when they are linked with management control, they are thought to lead to sustained superior financial performance. Furthermore, Saffold (1988) identifies two relevant facts relating to organizational culture and performance. First, culture can shape organizational processes, but processes also act to create and modify culture. Culture's contribution to performance is a consequence of this ever-evolving interaction. Secondly, it is likely that culture's link to performance is considerably less straightforward than many studies imply.

According to McShane and Glinow (2005), when a firm's strong culture is misaligned with its environment, it is unable to effectively serve customers and other dominant stakeholders. Hence, a large amount of empirical evidence suggests that there are positive correlations between organizational culture and market performance (Homburg & Pflesser 2000), financial performance (Homburg & Pflesser 2000), employee attitudes (Gregory et al. 2009), knowledge management and organizational effectiveness (Zheng, Yang & Mclean 2010) as cited in Cui et al, (2018).

### **Effect of Organizational Culture on Organizational Performance**

Organizational culture has the potential to enhance organizational performance, employee job satisfaction, and the sense of certainty about problem solving (Kotter, 2012). If an organizational culture becomes incongruent with the changing expectations of its' internal and/or external stakeholders, the organization's effectiveness can decline (Ernst, 2001). Organizational culture and performance clearly are related (Kopelman, Brief, & Guzzo, 1990), although the evidence regarding the exact nature of this relationship is mixed. Studies show that the relationship between many cultural attributes and high performance has not been consistent over time (Denison, 1990; Sorenson, 2002). The effects of organizational culture on employee behavior and performance can be summarized based on four key ideas (Bulach, Lunenburg, & Potter, 2012;

Hellriegel & Slocum, 2011). First, knowing the culture of an organization allows employees to understand both the organization's history and current methods of operation. This insight provides guidance about expected future behaviors. Second, organizational culture can foster commitment to the organization's philosophy and values. This commitment generates shared feelings of working toward common goals. That is, organizations can achieve effectiveness only when employees share values. Third, organizational culture, through its norms, serves as a control mechanism to channel behaviors toward desired and accepted behaviors. This can also be accomplished by recruiting, selecting, and retaining employees whose values best fit the values of the organization. Finally, certain types of organizational cultures may be related directly to greater effectiveness and productivity than others.

### **Theoretical Foundation**

Several theories have been formulated to show the inherent connection between organizational practices and performance. For the purpose of this article, Schein's theory of organizational culture, Denison organization culture model and Theory of organizational excellence will be examined.

### **Schein's Theory of Organizational Culture**

The theory consists of three domains: basic underlying assumptions, espoused values, and artifacts. Artifacts are the surface level of an organizational culture, tangible, easily seen and felt which are manifested in the products, physical environment, language, technology, clothing, myths and stories, published values, rituals and ceremonies of the organization (James & Jones, 2005). Espoused beliefs and values include strategies, goals, shared perceptions, shared assumptions, norms, beliefs and values instilled by founders and leaders. According to James and Jones (2005) basic underlying assumptions are the base level of organizational culture, and are the deeply-embedded, unconscious, taken for granted assumptions that are shared with others Any challenge of these assumptions will result in anxiety and defensiveness which will affect the stability that is necessary for good performance. Strong values in terms of clear goals and strategies is undeniably required for good performance while and organization lacking in this aspect, manifest poor performance attributes. This theory suggests that the basic artifacts, espoused values and underlying assumptions should be reflected in an

organizational culture so as to promote organizational performance.

### Denison Organizational Culture Model

Denison (1990) identified four elements of organizational culture model (a) involvement, (b) consistency, (c) adaptability, and (d) mission. (Denison, 1990; Denison & Mishra, 1995; Gordon & Di Tomaso, 1992; Kotter & Heskett, 1992). The four organizational culture model elements are essential in developing and maintaining an effective organizational culture in the organization (Kotrba et al., 2012). Denison posits that involvement and consistency are internal factors in developing an effective organizational culture while adaptability and mission are the external factors. Mousavi, Hosseini, and Hassanpour (2015) noted involvement as a critical factor for organizational culture effectiveness. Involvement includes transparent communication, employee-focused leadership, and strong interpersonal relationships in the organization (Engelen et al., 2014). In an effective organizational culture, business managers encourage high employee involvement and participation of members in major organizational activities (O'Reilly et al., 2014). When employees participate in the organizational decision-making process, they develop a sense of ownership, trust, and loyalty for the organization and become more responsible and accountable for their actions (Denison, 1990). A sense of ownership and responsibility are part of the effective organizational culture elements. Sense of ownership, trust, and loyalty are important factors to motivating employees in the organization (Kotrba et al., 2012). The study findings in the area of organizational culture show the existence of a positive relationship between high employee involvement in decision-making process and performance (Hacker, 2015). However, Givens (2012) argued that a high level of involvement in various activities creates a lack of specialization, where difficulty exists to identify the responsible person for the particular assignment. Research has also shown that the existence of consistency in the organization is a reflection of the organizational culture effectiveness (Givens, 2012). Givens (2012) agreed that consistency is one of the primary factors to create a strong organizational culture and improve employees' performance in the organization. However, Nongo and Ikyanyon (2012) argued that a high level of consistency in the organization does not directly affect employees' commitment and performance in the organization. Adaptability is the ability of business managers to perceive and respond to external environments

(Schein, 2010). This implies that business managers are passionate and responsive to internal and external factors and have the ability to modify the existing organizational culture to accommodate necessary changes. The change includes improving and modernizing internal departments and products in response to external competitions (Mousavi et al., 2015). An effective organizational culture includes a set of fundamental assumptions that the members of the organization are exposed and developed in dealing with external adaptation problems (Cian & Cervai, 2014). In the adaptability principle, employees are susceptible to adapt, restructure, and reinstitute internal processes, behaviors, and attitudes in response to external forces and demands (Denison, 1990). Adaptability is a critical organizational cultural element in promoting business performance (O'Reilly et al., 2014).

Finally, in an effective organizational culture, business managers define the organization mission by providing purpose and meaning to every major part of the organization's mission (Givens, 2012). The mission contains (a) clear direction and vision, (b) strategic decision and intent, and (c) goals and objectives of the organization that members use to guide the activities of the organization (Mousavi et al., 2015). Business managers use the organization's mission and vision to determining the organization short and long-term goals (Nongo & Ikyanyon1, 2012). Organization mission is used to provide appropriate direction to internal and external stakeholders (Raza et al., 2014).

### The Theory of Organizational Excellence

The theory of organizational excellence was developed by Thomas Peters and Robert Waterman (2014). The theory postulates that the culture that an organization adopts is directly linked to its success. Therefore, successful companies are characterized by cultural practices which put emphasis on action, closeness to customers, entrepreneurship, productivity, value based effort, simplicity, lean staff and economic utilization of resources. This implies that organizations are likely to stay in businesses if their cultural values provide individuals associated with the organization room to perform. This also involves listening to and adopting employees and customers' suggestions, paying attention to their cultural variables and promoting and clarifying the core values of the organization to the workers (Anis, 2011). In addition, strong cultural values in an organization that emphasizes high achievement levels for employees can provide individuals

throughout the organization room to operate in a manner that impacts on performance.

### Empirical Support

Some studies have been conducted in relation to organizational culture and employee performance in different organizations. Perters and Waterman (1982) claimed that high performance firms could be distinguished from low performance firms because they possessed certain cultural traits and 'strong culture'. Similarly, Deal and Kennedy (1982) suggested that organizational performance can be enhanced by strong shared values. These suggestions were not accepted by Carrol (1982), Reynolds (1986), and Saffold (1988) as they felt the suggestions were to simple a model to relate organizational culture to performance. They opined that a more sophisticated understanding of the tie between culture and performance must be developed.

Further studies carried out by Denison (1990), Kotter and Heskett (1992) and Lee (2006), cited in Asif & Sajjid (2010), found inconsistent results on the link between culture strengths and organizational performance. Denison and Mishra (1995) and the Strong Culture Theory were also criticized by other scholars.

Shakil (2012) studied the impact of organizational culture on management practices in Pakistan with the aim of expanding understanding and testing the relationship between the components of organizational culture and performance. Using regression and correlation analysis, the study found out that consistency and adaptability were some of the cultural attributes which significantly influenced management practices. Lorraine, Dorai and Zubair (2011) investigated the influence of organizational culture on performance management in insurance industry. The study focused on five variables namely adaptive perspective, communal, network, mercenary and fragmented culture. The study established a link between organizational cultures and management practices. However, the study reported that different types of organizational cultures had varied acceptance levels of performance management.

In Nigeria, Aluko (2004) sought to establish how culture influenced organizational performance in textile companies. The study also attempted to determine the nature of the relationship, the determinants of performance and the ways in which culture interacted with other factors within the companies. Using both qualitative and quantitative methodologies, the study found out that irrespective of their cultural

backgrounds, workers appeared to have imbibed the industrial way of life. The study further indicated a strong association between the cultural variables and level of commitment, staff attrition, and positive attitude towards work. But these cultural variables did not translate directly to improved organizational performance.

In another study, Mba, Okechukwu and Agwu (2013) investigated the effect of organizational culture on employees' performance in the National Agency for Food and Drugs Administration and Control in Nigeria, and reported that there was a significant relationship between organizational culture and increased employees' commitment and productivity.

In Mogadishu-Somalia, Abdulkadir, Takow, Abdifitah and Osman (2014) studied the effect of organizational culture on organizational performance at Telecommunication Firms. Using correlation coefficient, the study found that academic achievement had significant positive influence on competitive culture, entrepreneurial culture and consensual culture. In another study by Fakhra, Iqbal and Gulzar (2014) on the impact of organizational culture on employees' job performance in Software Houses in Pakistan, customer service, risk-taking and communication system, participation, reward system and innovation were found to have a positively significant impact on organizational job performance.

In Kenya, Njugi and Agusioma (2014) studied the effect of organization culture on organizational performance in non-financial institutions with a specific focus on World Vision Kenya. Using a linear regression analysis to find out how organizational culture correlated with organizational performance, the study established that organizational culture significantly influenced performance by enhancing organizational philosophy, work atmosphere, performance targets and organizations stability.

Wairimu (2013) investigated the effect of organizational culture on organizational performance based on a case study of Wartsila-Kipevu II Power Plant in Kenya. The study concluded that organizational ideals had a more significant influence on organizational job performance, than the organization organizational performance as was hypothesized. Although the study established an overly positive relationship between organization culture and organizational performance, the effect differed in terms of work procedures and systems having a significant impact on employees' performance.



The study by Muya, Ng'ang'a, Wesonga and Nyongesa (2011) on the impact of organizational culture on performance in learning institutions reported that every organization had a culture which influenced people's attitudes and behavior at work.

A study by Byrne and Hochwarter (2012) on the factors influencing employees' belief in the care by their organization in Canada reported that employees' felt that their organization cared about their success and this increases their commitment to the organization, help the organization accomplish its goals and make them to be more loyal to their organizations. Hence, they felt organizational culture is seen in job enrichment, organizational rewards, promotions, appreciation and involvement in policy formulation.

Another study by Noruzy (2013) investigated the link between workplace justice and organizational performance in Pakistan and revealed that organizational culture significantly influenced the organizational citizen behaviour and had meditating role between organizational justice and organizational citizenship behaviour. However, Eisenberger (2002) meta-analysis revealed a small association between organizational culture and employee work performance.

Yang (2010) examined the influence of job satisfaction on employee work performance in commercial banks in India revealing minimal influence of salary on job satisfaction. However, the study exposed a strong link between job satisfaction and happiness in comparison to salaries. This relationship suggested that rank was a stronger predictor of employees' professional achievements. In another study conducted among bank employees in Brazil by Nicanor (2014) established that employees' performance was influenced by income and job satisfaction. A study by Dorman (2010) on the factors influencing employee performance in Britain revealed that organizational culture that embraced job satisfaction often declined with increase in employees' level of education. This suggests that employees' level of education negatively impacted on job satisfaction.

Wanyoike (2014) studied about the determinants of employee performance in banks in Kenya, psychological empowerment and organizational learning were found to have significant influence. The study recommended that bank's managers needed to understand the motivations of their employees, their commitment's level to the organization and ways of improving job performance. A study by Korir (2012) about the factors determining employee

performance in commercial banks in Uasin Gishu County reported that organizational culture as one of the many explanations for human behavior including job performance. The study also suggested that organizational culture was related to employees' felt duty of helping the organization but the responsibility was superior among employees who approved the tradition of reciprocity in employee-employer relationship. Wamalwa's (2011) study on the effect of organizational culture on work outcomes in selected commercial banks in Bungoma County demonstrated the need for financial institutions to support employees. The study also found that employee response to organizational culture depended on the levels of employee commitment, professional needs and attitudes.

From the above, the result of studies carried out in the 80s and 90s showed inconsistent results on the link between culture strengths and organizational performance whereas the studies carried out later reported a positive interrelation between organization culture and organizational performance. This could be due to the developed interest shown in organisational culture as a result of globalization. Managers are discovering ways to achieve and maintain good operational performances which strong culture helps organizations to achieve. Several researchers have described organizational culture and organizational performance from other wider dimensions in other countries such as Nigeria, Pakistan and Somalia (Shakil, 2012; Lorraine, 2011; Aluko, 2004; Mba, 2013; Abdulkadir, 2014; Fakhar, 2014).

### III. CONCLUSIONS

The literature on organizational culture and performance revealed that companies that know how to develop their cultures in an effective way most probably have the benefit of advancement in productivity and the quality of work life among the employees. Indeed the study of organizational culture and performance is advantageous since cultural values are observable and measurable. Thus in studying the effect of culture on performance, it is vital that both financial and non financial (cultural values, norms) measures are used to get more comprehensive results. Indeed, employees must absorb the organizational culture at the maximum strength and top management should provide a precise guideline and direction to motivate the employees to leverage on the organizations culture to achieve the company's objectives (Rehman, 2012).

The review concludes that organizations where culture determines how things are done,

where employees had a clear spelt out work ethics, were like-minded employees hold similar beliefs and values, guided by values of consistency, adaptability and effective communication system, gives employees a sense of identity which increased their commitment to work. It was noted that in organizations with strong cultural values, employees practice acceptable personal habits, which are guided by the organizations' overall strategic plan, in carrying out and completing work assigned to employees with regards to the desired standards, and committing maximum efforts to the work leading to improved performance. Organizational culture is constantly being created, changed, and splintered to ensure the success of its parent organization. (Cancialosi, 2017).

However, despite the numerous worldwide researches, the results in countries differ in applicability. This could be due to cultural, social and economic diversities. Therefore, further research on these issues in public organizations will add significant knowledge to this field of management.

It is therefore recommended that organizational culture be enhanced in organizations since it influences organizational performance. It is hoped that this review will provide a source of information for policy makers, researchers and human resources professionals to understand better the link between organizational culture and organizational performance in organizations.

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