

THE EFFECTS OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE AMONG PUBLIC SERVANTS AT A KELANTAN STATE GOVERNMENT OFFICE

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Abstract: Employee performance is considered as a measure of human capital quality in an organization. It could either impact the organization negatively or positively. When employees start performing poorly, it worries the management as it affects the entire operation. Meanwhile, several studies in western countries have examined the relationship between organizational culture and employee performance, mentioning that the key to good performance is a strong culture. In a way, having a good organizational culture is like having a strong immune system. The purpose of this study was to determine the relationship between organizational culture and employee performance. Quantitative data were collected using a self-administered questionnaire. A total of 140 employees were identified from the Pejabat Tanah dan Jajahan Kota Bahru, Kelantan Darul Naim (PTJKB). Later, a stratified random sampling technique was applied, and 103 respondents were determined. The questionnaires were distributed randomly to these respondents from eight departments. The findings indicated that a higher level of organizational culture is associated with a high level of employee performance. It was concluded that, based on the beta value, both Involvement Culture and Adaptability Culture had significant influences on employee performance. This study suggested that PTJKB should consider implementing many initiatives to ensure that new employees have a good understanding of their cultures to maintain a supportive work environment that will subsequently improve and promote positive work results.

Keywords: Adaptability Culture, Employee Performance, Involvement Culture, Organizational Culture, Relationship

1. Introduction

In Malaysia, the output of employees is regarded as the quality measure of human resources kept by an organization and is a primary thrust of the Ninth Malaysian Plan (Salleh, Dzulkifli, Abdullah, & Yaakob, 2011). Employee performance is considered the backbone of an organization as it effectively leads to the development of the organization. Employee performance is the overall outcome of a person's works, which is compared against the work standard or the targets and responsibilities set and mutually agreed upon beforehand (Anitha, 2014). According to Sarmiento, Beale, and Knowles (2007), employees of the organization are deputized by the tasks according to

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their participation and liability. In addition, it was found that the potency of an organization is greatly influenced by the concurrence of employees who are considered the cardinal factors of an organization (Lye, 2011). Such performances of employees rely upon knowledge and awareness of a culture that improves the behavior of the organization (Weerarathna, 2014). In a different study, Hellriegel and Slocum (2009) reiterated that organizational culture can enhance employee performance if what sustains it can be understood. Thus, the culture of an organization acquaints employees with the firm's history as well as current methods of operation that guide employees on expected and acceptable future organizational behaviors and norms.

Several studies have examined the relationship between organizational culture and employee performance. According to Kandula (2006), the key to good performance is a strong culture. Due to differences in organizational culture, the same strategies do not give the same results for two organizations in the same industry at the same location. A result of a western organization could differ from Asia based organizations. A positive and strong culture can make an average individual perform and achieve goals brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Therefore, organizational culture has been an active and direct role in performance management (Ahmad, 2012). Organizational culture is necessary to make sense of things and appropriately gauge the level of contentment of the employees and the productivity of the entire organization. In a way, having a good organizational culture is like having a strong, healthy immune system.

Most organizations put more effort into intrinsic and extrinsic reward systems and give less concern to traditional cultural activities. Organizations known for strong culture sustain it, as each successive generation of leaders and followers embraces and passes the culture on to the next through mechanisms such as stories, artifacts, rituals, slogans, symbols, and special ceremonies. These mechanisms reproduce as well as reinforce the accepted culture (Dacin, Munir, & Tracey, 2010). According to Wines and Hamilton (2009), strong cultures make up the cultural DNA that gives organizations and individuals their identities. According to Ndwiga (2012), organizational culture is akin to the foundation of a house. It is what gives identity to the organization (Cheung, Wong, & Wu, 2011). Some have described organizational culture as a shared mental model or the social glue that holds an organization together. The culture of organization is highlighted to bring out every important component of the organization.

It is, therefore, significant to conduct a study to investigate the relationship between organizational culture and employee performance. Hence, this study aimed to identify the relationship between organizational culture and employee performance among the staff of PTJKB; and to determine the influence of involvement and adaptability culture towards employee performance.

2. Literature Review

2.1 Employee Performance

Employee performance is defined as the outcome or contribution of employees that makes them attain the goals (Herbert, John, & Lee, 2000). In addition, Sultana *et al.* (2012) defined performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost, and speed. According to Aguinis (2009), performance does not include the results of an employee's behavior, but only the behaviors themselves. In other words, no matter how good the performance of the employee is, it would mean nothing if the employee's attitude is dysfunctional.

Organizational progress also comes from the employees' good results. The performance of employees includes quality and quantity of production, job presence, welcoming and supportive disposition, and timeliness of production (Yang, 2008). According to Ahmad (2015), employee performance improves the overall efficiency and productivity of organizational processes. Thus, employee performance plays an important role in ensuring organizational success. Apart from that, Ahmad (2012) had linked the

employee performance to employee satisfaction. If employees are satisfied, they will do more work and ultimately customers will be satisfied. Armstrong (2006) argued that employee performance is not just a matter of only what a group of employees or an individual employee accomplish with respect to the goals and targets, but it also has to do with how the employees or an individual employee is willing and motivated to encourage and promote the values of the organization.

Kandula (2006) reiterated that the key to good performance is a strong culture. A study by Kinicki and Kreitner (2007) found that a positive organizational culture leads to employee performance. Employee performance is higher in happy and satisfied employees and the management finds it easy to motivate high performers to attain firm targets. In addition, Magee (2002) contended that without considering the impact of organizational culture, organizational practices such as performance management could not be productive as the two are interdependent and change in one will impact the other.

2.2 Organizational Culture

We live in an era of continuous changes where organizations are facing a changing and unpredictable environment (Farhangi, Abbaspour, & Abachian, 2014). Hence, organizations need employees who can express their opinions and communicate their needs and desire. In the meantime, employees also tend to choose organizations that accept and use their viewpoints, where, eventually managers and employees will have better performance in an environment without silence (Chang, Oh, & Park, 2016).

The primary concern is organizational culture creates the value of an institution not only the manners and behaviors of every individual in the organization but also by the collective attitudes and behavior of the organization in general (Aksoy, Apak, Eren, & Korkmaz, 2014). Understanding the culture of an organization is important as it helps to remove the challenges faced by the organization in the process of making organizational changes. Following this argument, Ezirim, Nwibere, and Emecheta (2012) claimed that managers must shape and build a culture that is more favorable to both employees and the organization to achieve the needed organizational goals.

Having established that organizational culture comprises a range of complex social phenomena, it is not surprising that scholars have identified corporate culture as a multi-layered construct which can be divided into layers according to these phenomena's observability and accessibility. A more detailed definition is the collection of traditions, values, policies, beliefs, and attitudes that create a common context for everything we do and think in an organization (Omukaga, 2016). In other words, an organization's culture can be characterized as the manifestation of its shared processes, values, standards, philosophies, myths, and traditions. They can motivate people and can become a valuable source of efficiency and effectiveness (Sudarsanam, 2010).

Moreover, Magee (2002) argued that organizational culture is inherently connected to organizational practices which in turn influence employee performance. Hellriegel and Slocum (2009) contended that organizational culture can improve employee performance if what sustains it could be understood. Thus, the culture of an organization identifies employees with the firm's history as well as current methods of operation that guide employees on expected and acceptable future organizational behaviors and norms. Thus, a positive culture supports adaptation and improves the performance of employees by motivating, shaping, and channelling their behaviors towards the attainment of corporate objectives (Daft, 2010). Robbins and Judge (2010) stated that organizations with a positive organizational culture focus on rewarding employees and creating an environment where employees can develop, grow, and operate at their full potential.

2.2.1 Involvement Culture

Involvement culture focuses on the internal emphasis on the engagement and participation of employees to perform well in the organization. According to Rahimnia and Alizadeh (2009), involvement culture has three indicators: empowerment, team working, and capability development. Organizations with a higher level of involvement culture can create a high value for both employees and the organization. Values which result in high levels of engagement have a significant place in organizations compared to individual performance in organizations (Rahimnia & Alizadeh, 2009). In addition, Sirisetti (2012) stated that improved engagement happens when there are positive working relationships, employees' input in decision-making, and supporting growth and development with learning opportunities. People at all levels feel that they have at least some input into decisions that will affect their work are directly related to the goals of the organization (Ehtensham et al., 2011). Therefore, it was hypothesized that:

H₁: There is a relationship between Involvement Culture and Employee Performance.

2.2.2 Adaptability Culture

Adaptability culture ironically concerns organizations that are well integrated but often the most difficult ones to change. This idea drives the nature of the organization to always be adaptable and creative in accordance with the environmental changes. According to Pool (2000), organizational culture plays an important role in helping organizations address several issues like those of external adaptation and integration. To achieve high adaptability culture in an organization, Pornpitakpan (2002) suggested that employees must understand the variances in cultural norms, behaviors, and practices. Several studies show that there is a positive relationship between adaptability culture and employee performance (Anderson, 2003; Tucker et al., 2004; Vromans & Engen, 2013). Therefore, it was hypothesized that:

H₂: There is a relationship between Adaptability Culture and Employee Performance.

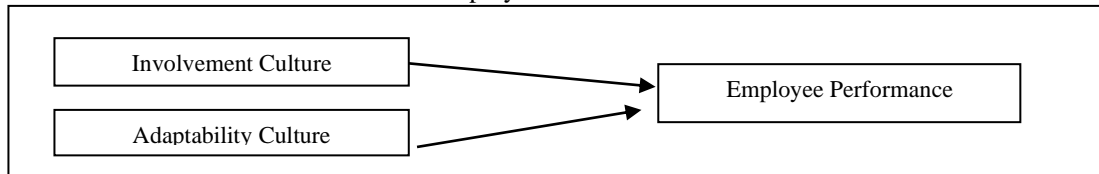
2.3 The Relationship between Organizational Culture and Employee Performance

Mohammad, Rumana, and Saad (2013) stressed the positive association between a strong culture and performance improvement and Ahiabor (2014) stated that an organization's norms and values have strong effects on all those who are attached to the organization and, as considered by the scholar, norms are invisible. In addition, Awadh and Saad (2013) found that good organizational culture enhances organizational performance, and Ritchie (2000) observed that organizational culture is a motivational instrument which promotes the employees to perform smoothly and ensures better productivity.

Organizational culture allows employees to be acquainted with both the firm's history as well as current methods of operations and this specific detection endows the employees with guidance about expected and acceptable future organizational behaviors and norms. It showed a positive association between strong culture and performance improvement (Mohammad *et al.*, 2013).

Meanwhile, Aluko (2003) examined that there was a significantly positive relationship between organizational culture and employee performance and found that an organization and its employees were not performing and working together very well because of weak culture. The organization's weak culture may cause a lack of involvement, consistency, adaptability, and mission.

Figure 1: Theoretical Framework on the Relationship between Organizational Culture and Employee Performance.



Source: Ehtensham et al., (2011)

3. Methodology

In this study, a set of questionnaires adopted from Ehtensham et al. (2011) was prepared and distributed to PTJKB staff. A total number of 140 PTJKB employees were identified. The sample size was later determined from the total population based on Krejcie and Morgan (1970), which is 103 from the total number of PTJKB employees, (N=140, S=103). A stratified random sampling technique was applied, and 103 respondents were later determined. The questionnaires were then distributed randomly to these respondents from eight departments. Table 1 shows the allocations of the questionnaire to the sample size according to the different units. A stratified random sampling technique was applied to ensure that the strata (or layers) in the population were fairly represented in the sample. The data were then analyzed using SPSS version 23.

Table 1: Calculation of Sample Size

No.	Unit	Population Size	Sample Size
1.	Pentadbiran dan Kewangan	29	21
2.	Pembangunan	13	10
3.	Penguatkuasaan dan Teknikal	18	13
4.	Pembangunan Tanah dan Pelupusan	26	19
5.	Pendaftaran	18	13
6.	Hasil	10	7
7.	Penggawa	13	10
8.	Pembantu Penggawa	13	10
Total		140	103

4. Findings and Discussions

4.1 Descriptive analysis

The descriptive analysis for this study identifies the background details of respondents in terms of gender, age, level of education, and years of working experience. For gender, there were 58 male respondents (56.3%) and 45 female respondents (43.7%). Most of the employees were between the ages of 25 to 30 years old, consisting of 29 employees (28.2%). However, only 7 (6.8%) employees were below 25 years old. Meanwhile, for educational level, 30 (29.1%) employees had a diploma and only 3 (2.9%) employees had a master. Furthermore, 39 (37.9%) employees had more than ten years of working experience and 30 (29.1%) employees had less than two years of working experience.

4.2 Reliability analysis

Table 2 presents the Cronbach's alpha values for both dependent and independent variables that were 0.909 and 0.837, respectively. Lance (2006) stated that for Cronbach's Alpha, 0.7 should be the acceptable value. He also mentioned that in the measurement of the items, the excellent value for Cronbach's Alpha should be more than 0.7. This shows that the variables of the study are reliable.

Table 2: Cronbach's Alpha Values

Variables	Number of items	Cronbach's alpha values
Independent Variables	20	0.837
Dependent Variable	15	0.909

4.3 Correlation analysis

The relationship between organizational culture and employee performance was investigated using the Pearson correlation coefficient. It was found that there was a strong positive relationship between Adaptability Culture and employee performance ($r = 0.600$). This result indicates that an increase in Adaptability Culture will increase employee performance. However, Involvement Culture has a moderate relationship with employee performance ($r=0.518$). Table 3 presents the relationship between organizational culture and employee performance.

Table 3: Correlations among variables

Variables	Pearson correlation values	Result
Involvement Culture	.518**	Moderate positive relationship
Adaptability Culture	.600**	Strong positive relationship

** Correlation is significant at the 0.01 level (2-tailed)

On the other hand, Table 4 shows the relationship between the dimension under the independent variable and the dependent variable. The Pearson correlation between Involvement Culture and work performance shows that there is a positive correlation between them. Involvement Culture has a value of .518 and the significance (p-value) is 0.05. According to the rule of thumb, Involvement Culture has a positive and moderate relationship with employee performance. Therefore, the finding shows that there is a relationship between Involvement Culture and employee performance. Hence, as shown in Table 4, Hypothesis 1 (H_1) is accepted.

Table 4: Summary of Hypotheses Results

Hypotheses	P values	Results
H₁: There is a positive relationship between involvement culture and employee performance.	$r = .518^{**}, p < .01$	Supported
H₂: There is a positive relationship between adaptability culture and employee performance.	$r = .600^{**}, p < .01$	Supported

Meanwhile, the Pearson correlation between Adaptability Culture and employee performance shows that there is a positive correlation between them. Adaptability Culture has a value of .600 and the significance (p-value) is 0.05. According to the rule of thumb, Adaptability Culture has a positive and strong relationship with employee performance. Therefore, the finding shows that there is a relationship between Adaptability Culture and employee performance. Thus, as shown in Table 4, Hypothesis 2 (H_2) is accepted.

5. Conclusion and Recommendations

From the findings, it can be concluded that there was a strong relationship between two variables of organizational culture and employee performance. The results show that Adaptability Culture has a stronger relationship compared to Involvement Culture, with a moderate and positive relationship on employee performance. Hence, it is concluded that Adaptability culture is surely associated with a high level of employee performance. The results of this study are similar to those of Ehtesham, Muhammad, and Muhammad (2011). This study recommends that PTJKB should conduct several programs that acknowledge and embrace its cultures to new employees to ensure a conducive work environment is created. This will certainly improve and encourage positive work performance among employees.

PTJKB also needs to accept and consider any relevant suggestions made by its staff. To achieve its goals and to embrace positive work culture, PTJKB needs employees who could express their opinion freely and relevantly. By doing this, the organization can enhance the performance of its employees. The stories leaders tell, the decisions they make, and the actions they take, reveal an implicit cultural expectation for their followers. Employees learn what is valued most in an organization by watching the attitudes and behaviors of their leaders and whether the leader's behavior is consistent with organizational values (Achua & Lussier, 2010).

6. Limitations and Suggestions for Future Research

This study only focused on government servants at Pejabat Tanah dan Jajahan Kota Bharu (PTJKB). Therefore, the results cannot be generalized to other organizations in other districts or states. Future studies can involve other public organizations in other districts or all land offices in all states of Malaysia. Future researchers should also consider a larger sample size as it can reduce the sampling error and produce more precise and accurate results.

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