

Impact of Organizational Culture on Performance of Small and Medium Scale Manufacturing Units in Ahmednagar District: A Literature Review

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Abstract

Organizational culture is the collection of values, expectations, and practices that aide and impact the actions of all team individuals. It is the assortment of traits that makes the organization what it is. A great culture exemplifies positive traits that lead to further developed performance, while a dysfunctional organization culture brings out qualities that can hinder even the best organizations. A work environment with an organizational culture is driven by purpose and clear expectations. This motivates and encourages employees to become more involved in their job responsibilities and in interacting with others. People who feel valued and respected in the organization are less willing to leave. That is why it is important for brands to develop a winning organization culture that underpins their core values and mission statement. Organizational culture contributes to the creation of a workplace in ways that unite people with similar skills. A research was undertaken entitled “Impact of Organizational Culture on Performance of Small and Medium Scale Manufacturing Units in Ahmednagar District.” As a part of the research related literature was reviewed and this paper presents the same.

Keywords: Organizational culture, Performance, Small and Medium size units, Literature review

Introduction

A research was undertaken entitled “Impact of Organizational Culture on Performance of Small and Medium Scale Manufacturing Units in Ahmednagar District.” As a part of the research related literature was reviewed and this paper presents the same.

Organizational culture includes an organization’s philosophy, experiences, expectations, and the values that direct member behavior. It is expressed in member self-image, interactions with the outside world, inner workings, and future expectations. Culture is based on shared attitudes, customs, beliefs, and unwritten and written rules that have developed over time and are considered valid. Organizational culture is a widely researched subject. Both its antecedents and precedents have been well researched. This review dwells upon different aspects of organizational culture giving due consideration to the concept and the context of the title of the research.

Literature review

1) Cherian et al. (2021) stated that the present research paper focuses on 4 key aspects of organizational culture in the United Arab Emirates (UAE): employee attitude, behavior, performance, & productivity. Each organization has a unique culture, which shapes the employees’ perspectives to a great extent. The greater the consistency of the approach, the greater is the likelihood of that organization accomplishing success. The main purpose of this study was to examine the impact of corporate culture on the behavior of heterogeneous groups of employees. The United Arab Emirates (UAE), as an emerging economy, has different ethnicities & nationalities in its workforce, each having its own distinctive national customs, religions, languages, histories, & work patterns. This paper examines 2 cases in the remittances & foreign exchange industry in the United Arab Emirates (UAE) as being characteristic of finance companies, comprising employees who originated from many countries working together irrespective of their socio-cultural background. Based on a questionnaire, the literature, & a hypothesized model, this paper examines the relationship of UAE’s heterogeneous work culture on employees’ points of view. In an innovative way, the outcome of this study reveals & supports their hypotheses that organizational culture has a high effect on the work performance, attitudes, & behaviors of the employees belonging to 2 selected companies, regardless heterogeneous nationalities & cultures.

2) Febianti et al. (2021) stated that the core of the problem in this review is to determine the impacts of organizational culture on employee performance in Sumedang Selatan District Office, Sumedang Regency. This investigation aims to determine the implementation, correlation, & impacts of organizational culture on employee performance in Sumedang Selatan District Office, Sumedang Regency. This investigation used a survey method. Data collection techniques used were interviews, observation, questionnaires, & data processing related to the issues studied namely organizational culture & employee performance. The analysis technique utilized is a simple regression analysis, coefficient of determination, correlation test, & hypothesis testing. The research sample used as many as forty six people, namely all civil servants in Sumedang Selatan District Office. The outcomes of quantitative calculations were achieved based on the value of the Pearson correlation (r). It is known that

the r value for the impacts of organizational culture (X) on employee performance (Y) is $0.713 > r$ table 0.290 . Thus, it can be concluded that there is a correlation between the organizational culture (X) to employee performance (Y).

3) Indiyati et al. (2021) indicated that the performance of an employee plays an essential role in an organization since it contributes to the achievement of the performance of each organizational function. Several previous studies showed that human resource competencies & organizational culture can influence employee performance. This investigation aimed to test & examine the competencies of human resources & organizational culture on employee performance at Bio Farma both partially or simultaneously. This examination was conducted using a quantitative method. Data collection techniques using a questionnaire were distributed to employees of Bio Farma with samples taken of three hundred employees. The research results were tested utilizing path analysis. The outcomes show that human resource competencies & organizational culture had a significant impact on employee performance at Bio Farma, either partially or simultaneously.

4) Sabuhari et al. (2020) in their research aimed to study & analyze the impacts of human resource flexibility, organizational culture adaptation, employee competencies, & job satisfaction on employee performance. The investigation also examines the indirect impact between human resource flexibility & employee performance with the mediation of organizational culture adaptation & the impact of competence on employee performance through job satisfaction as a mediator variable. Utilizing certain criteria, 105 employees of PT POS Indonesia were chosen as the sample. SEM-PLS was utilized to test the hypotheses. The study finds that employee competencies, human resource flexibility, & job satisfaction significantly impacted employee performance, but organizational culture adaptation didn't have any significant impact on employee performance. Therefore, organizational culture adaptation was unable to mediate the impact of human resource flexibility on employee performance. However, job satisfaction partially mediates the impact of employee competencies on employee performance.

5) Mohsen et al. (2020) stated that the primary objective of this paper is to determine the effect of organizational culture on the employees' performance in the telecommunication sector in Afghanistan. Researchers adopt & applied previously utilized questionnaires for the purpose. Both independent variable organizational culture & dependent variable employee performance is divided to their sub-elements to quantify them in targeted organizations. As this subject has not been discussed methodically in the context of Afghanistan, thusly, it is perceived vital to conduct such a research & encourage the selected sector for improvement through suggestion. The target populace of this research is employees in the telecommunication sector which are about two thousand workforces. This review incorporates 211 employees of various telecommunication companies in Afghanistan which are chosen randomly. To accomplish the abovementioned objective, the regression model is utilized for analyzing the data & finding the relationships amongst the variables. Findings show the existence of the relationships & impacts of organizational culture on the employee

performance as whole. However, the extent of this effect is varying based on different sub-elements of organizational culture namely, goal achievement, change management, & others.

6) Ali (2020) in their research aimed to investigate the relationship between organizational culture & performance at The Libyan Iron & Steel Company. The populace of all the employees of General Administration of The Libyan Iron & Steel Company in 2018 was 500 individuals & the population of the whole number of all individuals was selected as a sample due to limitation. Out of the 440 questionnaires that were distributed amongst employees, 400 usable questionnaires were acquired that the same number as the sample was taken in consideration. To gather the information, the questionnaire of the performance management, standard questionnaire of unlimited improvement (realized) were utilized. Pearson correlation coefficient was utilized to analyze the data. The results show that there is a significant positive relationship between performance management & unlimited improvement & its components (standardizing, planning, & improving the quality of work, relationship with customer, HR development & maintenance policy).

7) Paais et al. (2020) investigated by empirical methods the impact of motivation, leadership, & organizational culture on job satisfaction, & employee performance at Wahana Resources Ltd North Seram District, Central Maluku Regency, Indonesia. This study intends to be a critical review for academics exploring the field of human resources management (HRM). The study's sample comprised of 155 employees who were selected utilizing the proportionate stratified random sampling method. Simultaneously, data were collected utilizing a questionnaire and then analyzed utilizing the structural equation modeling on Amos. The outcomes of data analysis showed that organizational culture & work motivation had a positive & significant impact on performance, but didn't significantly impact employee job satisfaction. While leadership has a substantial effect on employee job satisfaction, it doesn't influence performance. The outcomes of testing the coefficient of determination show that job satisfaction is influenced for 57.4 per cent by leadership, motivation, & culture variables, while employee performance variables are influenced for 73.5 per cent by motivation, culture, leadership, & job satisfaction variables. Other factors outside this study impact the rest. Leadership, motivation, & organizational culture of employees should be improved to increase job satisfaction. Constantly, if employee job satisfaction increases, employee performance will likewise increase.

8) Vanesa et al. (2019) specified that every company is required to have a high level of discipline to accomplish the company's goals. A good discipline reflects the greatness of one's responsibility for the tasks assigned to him. With a great level of discipline, each employee will be able to finish each task & responsibility, even though the work it carries is convoluted & difficult to complete. The purpose of this research is to know the impact of organizational culture, job motivation, & work environment on employee discipline in PT. Jasa Marga (Persero), TBK Medan branch, either partially or simultaneously. The population of this investigation is all employees who work in PT. Jasa Marga (Persero), TBK Medan branch. The number of samples in this study is 67 respondents. Data were collected using questionnaire & observation. The data were tested utilizing validity & reliability tests, & the

data had to meet the classical assumptions. Besides, data analysis was performed by using multiple regression analysis, F-test, T-test, & determination coefficient. The results of this investigation indicate that there is a positive & significant impact of organizational culture on employees' discipline. There is a positive & significant impact of work environment on employees' discipline. There is a positive & significant impact of motivation on employees' discipline. There is a positive & significant impact of work environment, organizational culture, and motivation on employees discipline in PT. Jasa Marga (Persero), TBK Medan branch. The contribution of work environment, organizational culture, motivation explains employees discipline is 61.8 per cent while 38.2 per cent is explained by other variables which are beyond the present research model.

9) Lolowang et al. (2019) stated that villages & sub-districts in Jayapura city are public organizations that offer service to the community. Villages & urban organizations require organizational culture, leadership, & strong work motivation to support performance improvement. This research was conducted in thirty nine villages & sub-districts in the city of Jayapura. The population of this investigation was permanent employees in the villages & sub-districts in the city of Jayapura, which numbered ninety six employees. All populaces were chosen as research respondents, this research was census research. The analytical tool utilized in the research is Partial Least Square (PLS). The outcomes of the study show that, first, direct leadership has no significant impact on employee performance, second, organizational culture has a significant impact on employee performance, third, leadership has a significant impact on work motivation, fourth, organizational culture has a significant impact on work motivation, fifth, work motivation has a significant impact on employee performance, sixth, work motivation is a perfect mediator of the impact of leadership on employee performance, seventh, work motivation as a partial mediator of the impact of organizational culture on employee performance.

10) Soomro et al. (2019) stated that the purpose of this paper is to study the impact of entrepreneurial orientation & organizational culture on organizational commitment, job satisfaction, & employee's performance.

This is a quantitative approach, which is dependent on cross-sectional data. Altogether, 326 usable cases are processed to infer the outcomes through the structural equation model.

The outcomes revealed a positive & significant effect of job satisfaction, organizational commitment, & organizational culture on employee's performance. An entrepreneurial orientation has a positive & significant effect on organizational commitment. Job satisfaction is affected by organizational commitment, while organizational culture is impacted by job satisfaction. On the other hand, entrepreneurial orientation has a non-significant effect on employee's performance.

Employers might shape the organizational culture & boost the general level of job satisfaction of their employees. Further, the investigation enriches the organizational behavior literature by recognizing & empirically validating the effect of entrepreneurial orientation & organizational culture on organizational commitment, job satisfaction, & employee's performance in the small & medium enterprises sector of Pakistan. The findings of the

present study may help in making a better understanding of job satisfaction & outlining its association with organizational culture.

Conclusion

As stated in the introduction, research on organizational culture is abundant. However studies in the Indian contexts are few in numbers. Moreover those focusing on the SME sector are relatively still lesser in numbers. SMEs are a backbone of the industrial sector and hence this prompts a detailed investigation into the nature and impact of organizational culture in these types of organizations. It is pertinent to note here that Ahmednagar district despite being the largest in the state of Maharashtra has lagged behind in SME development when compared with peer districts like Aurangabad and Nashik. Therefore, a study of organizational culture and its impact assumes significance in the direction of understanding of the lackluster performance of the SMEs from the district.

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