

A STUDY ON INFLUENCE OF ORGANIZATIONAL CULTURE ON EMPLOYEE MOTIVATION AND JOB PERFORMANCE IN NBFCs.

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ABSTRACT

This research delves into the intricate interplay between organizational culture and employee motivation and job performance, focusing on key objectives. Firstly, it investigates how incentive and recognition programs can inspire workers and enhance productivity. Secondly, it explores how cultural disparities impact an organization's ability to motivate its workforce effectively. Thirdly, it analyzes how hierarchies and organizational structures influence employee motivation and output. Lastly, it evaluates the effects of organizational learning and employee autonomy on worker engagement and productivity. Utilizing the survey method, data was collected from a population of 270 individuals, narrowed down to a sample size of 160 using De Morgan's table. Non-parametric tests such as Correlation Analysis, Kruskal Wallis H-test, and Mann Whitney U-test were employed to analyze the data, yielding robust findings regarding the influence of organizational culture on worker motivation and performance. In conclusion, this study underscores the critical role of organizational culture in shaping employee engagement and productivity, providing valuable insights for optimizing corporate culture across diverse contexts and fostering sustained success in today's dynamic workplaces.

INTRODUCTION

This research topic explores the complex relations that exist between job performance, employee motivation, and corporate culture. It looks into the subtle ways that an organization's principles, beliefs, and internal processes can have a big impact on employees' motivation levels and performance outcomes. The purpose of the study is to assess and understand the complex relationship that results between an organization's basic cultural elements and the performance and motivational factors that result for its workers.

These changes highlight how crucial it is to have an in-depth knowledge of how organizational culture contributes to the creation of an atmosphere that is favorable to high levels of motivation and performance.

Organizational culture is generally understood as all of a company's beliefs, values and attitudes, and how these influence the behaviour of its employees.

Culture affects how people experience an organization—that is, what it's like for a customer to buy from a company or a supplier to work with it. It shows up in company policies such as dress code and

office hours. It also informs things such as workspace design and employee perks. Culture is usually set by a company's leaders.

Companies don't tend to define their cultures explicitly; they tend to emerge from what people believe, how they think, what they say and what they do. Culture shapes what behaviour is acceptable or unacceptable. Culture may help define values and core principles that guide organizational behaviour.

The purpose of the study is to provide information about the particular components of company culture that either foster or hinder worker enthusiasm and productivity. This study aims to identify practical insights that leaders, HR professionals, and policymakers can implement to foster a culture that not only supports high performance but also job satisfaction and employee well-being. It will do this by examining values, beliefs, norms, and practices within a number of organizational settings. With an adequate research framework comprising qualitative and quantitative techniques, the goal of this study is to delineate the intricate correlations that exist between job performance, employee motivation, and organizational culture. This involves a comprehensive examination of the body of research in the topic as well as comprehensive case studies, questionnaires, and surveys with workers from diverse industries and regions.

The changing nature of work environments, as seen by the rise of remote work, globally teams, and technological advancements, has made the role of company culture in determining employee outcomes even more crucial. The results of this study are expected to provide important understandings for management, human resources specialists, and legislators who work to establish work environments that improve employee satisfaction and well-being in addition to increasing motivation and performance. This study aims to provide a comprehensive analysis by utilizing a combination of qualitative and quantitative research methodologies. The goal is to highlight effective cultural initiatives that may be used to improve employee engagement and productivity.

One of the most important elements in determining an organization's internal work environment is its culture. It has a big impact on how workers interact with one other and with their tasks. Understanding the precise manner in which corporate culture affects worker motivation and job performance is crucial given the complexity of today's business contexts. These elements have a direct impact on output, staff retention, and the general performance of the company.

NEED OF THE STUDY

Organizational culture includes values, norms, and practices that influence how individuals within an organization interact and work. Creating tactics that improve performance and motivation requires an understanding of how this culture affects employee behavior. A major factor influencing employee performance is motivation.

Organisations can enhance their ability to create settings that stimulate passion and commitment by analyzing the ways in which different elements of organisational culture, such as incentive systems,

communication frameworks, and leadership styles, impact motivation. Success of the organization is directly impacted by job performance.

Finding out which organizational culture components are most helpful in raising productivity and efficiency can be done by researching the relationship between motivation, performance and culture. The empirical data and theoretical understanding provided by this study are crucial for optimizing organization culture to increase employee motivation and job performance.

OBJECTIVE OF THE STUDY

Primary objective:

To study the influence of Organizational culture on employee motivation and job performance in NBFCs

Secondary objectives:

- To know the role of organizational rewards and recognition systems in motivating employees and stimulating job performance.
- To study the impact of cross cultural differences on the effectiveness of organizational culture in motivating employees.
- To find the influence of organizational structure and hierarchy towards employee motivation and job performance.
- To assess the influence of employee autonomy and organizational learning on employee motivation and job performance.

SCOPE OF THE STUDY

The study on the influence of organizational culture on employee motivation and job performance is broad since it includes a variety of organizational contexts in its investigation. First and foremost, the research aims to explore the complexities of organizational culture by dissecting its constituents—values, beliefs, norms, and practices—and how these aspects influence the workplace.

This study examines the various organizational culture types (such as rewards, learnings, hierarchical, and cultural difference) and how they affect worker performance and motivation. It includes investigating how organizational structures, communication channels, reward programs, learnings and autonomy contribute to the development of a work environment that encourages dedication, engagement, and job satisfaction.

LIMITATIONS OF THE STUDY

- Generalization: The findings may not be invariably applicable to all employees, as the study was conducted in Chennai it may not be generalized

- As the sample size is 160 the finding may not be generalized.
- Time: Because of the time constraints the study has to go with less samplings with little data and the findings has to be done in given small time
- Bias: There may be bias in the data because of the respondent's personal thought

REVIEW OF LITERATURE

****Samsir, Muis (2023)**:** Explored the impact of transformational leadership and organizational culture on job satisfaction, work motivation, and employee performance at a sugar factory. Found that organizational culture did not significantly affect performance through work motivation, highlighting the challenge of transitioning employees from old to new cultural norms.

****Shalahuddin (2022)**:** Investigated the influence of organizational culture and motivation on the performance of transportation service employees. Found significant positive effects, emphasizing the importance of leaders recognizing and rewarding employee achievements to enhance performance.

****Anoop Gurunathan (2021)**:** Explored the impact of organizational culture on employee motivation in a steel company, stressing the crucial role of a strong culture and motivational programs in driving organizational success.

****Hani Sakina Mohamad Yusof et al. (2021)**:** Examined the relationship between organizational culture, employee motivation, and work attitude moderation in automotive industries. Found strong correlations between organizational culture dimensions and employee motivation, with work attitude showing no significant moderating effect.

****Jufrizen et al. (2021)**:** Analyzed the influence of organizational culture on employee performance and commitment, highlighting the mediating role of organizational commitment. Found positive significant effects, but no moderation by motivation.

****Riyanto et al. (2021)**:** Explored the mediating role of work motivation in enhancing employee performance through training and organizational culture. Found that motivation significantly mediated the effect of organizational culture on performance but not training.

****Wahjoedi (2021)**:** Examined the mediating role of job satisfaction and work motivation in the relationship between organizational culture and employee performance in SMEs. Found that job satisfaction mediated the relationship between organizational culture and performance.

****Esther Oluwayimika Ariyo & Andrew Oshiotse Okwilagwe (2020)**:** Investigated the influence of organizational culture on job satisfaction among library personnel, finding a significant positive relationship.

****Ni Made Intan Cahaya Indah D.P, I Gede Riana (2020)**:** Explored the impact of physical work environment and organizational culture on work motivation and performance, finding significant positive effects.

****Muhammad Reza Putra et al. (2020)**:** Reviewed factors influencing work motivation and performance, emphasizing the significant impact of work environment, organizational culture, and compensation.

****Nur M Ridha Tarigan & Supar Wasesa (2020)**:** Investigated the influence of organizational culture on increasing employee motivation in a sharia bank, finding varied perceptions of organizational culture's strength.

RESEARCH METHODOLOGY

Research Methodology is a way to find out the result of a given problem on a specific matter or problem that is also referred as research problem. In Methodology, researcher uses different criteria for solving/searching the given research problem. Different sources use different type of methods for solving the problem. If we think about the word “Methodology”, it is the way of searching or solving the research problem.

This study comes under descriptive research design and non probability sampling method was used which is convenience sampling. The sample derived from nbfc's from Chennai with sample size of 160 was chosen. And data collected is primary data through closed ended questions.

The research tools used were

- a. Correlation Analysis
- b. Kruskal Wallis H-test
- c. Kolmogorov Smirnov test (K-S test)
- d. Interval Estimation
- e. Percentage Analysis
- f. Mann Whitney U-test

DATA ANALYSIS AND INTERPRETATION

TEST FOR NORMALITY

Null Hypothesis (H₀): The data follows normal distribution.

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Reward_and_recognition	.159	160	.000	.943	160	.000
cultural_difference	.206	160	.000	.945	160	.000

organizational_structure	.172	160	.000	.945	160	.000
Autonomy_and_learning	.149	160	.000	.938	160	.000

a. Lilliefors Significance Correction

Interpretation:

From the above table it is inferred that the Significance value is less than 0.05. Hence we reject the Null hypothesis. Therefore, the data is significantly deviating from the normal distribution. Hence we go for Non – Parametric statistical analysis.

CORRELATION

Null Hypothesis H0: There is no relationship between

Table 3.2.26 Correlations

			Reward_and_recognition	cultural_difference	organization_structure	Autonomy_and_learning
Spearman's rho	Reward_and_recognition	Correlation Coefficient	1.000	.651**	.206**	.570**
		Sig. (2-tailed)	.	.000	.009	.000
		N	160	160	160	160
	cultural_difference	Correlation Coefficient	.651**	1.000	.285**	.606**
		Sig. (2-tailed)	.000	.	.000	.000
		N	160	160	160	160
	organizational_structure	Correlation Coefficient	.206**	.285**	1.000	.259**
		Sig. (2-tailed)	.009	.000	.	.001
		N	160	160	160	160

	Autonomy_and_learning	Correlation Coefficient	.570**	.606**	.259**	1.000
		Sig. (2-tailed)	.000	.000	.001	.
		N	160	160	160	160

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

FINDINGS:

From the above table the Correlation Coefficient between Reward_and_recognitionand cultural_difference is 0.651** ,the Correlation Coefficient between cultural_difference and organizational structure is 0.285**, the Correlation Coefficient between organizational structure and autonomy and learning is 0.259**.

Interpreation:

There is a positive relationship between reward and recognition, cultural difference, organizational structure and autonomy and learning. we reject the null hypothesis for correlations that are highly significant ($p < 0.01$), indicating that there is a significant relationship between the variables being compared.

MannWhitneyUTest

Null Hypothesis H0: There is no significant difference among the mean rank of the Gender with respect to Reward and recognition, Cultural difference, Organizational structure and Autonomy and learning.

Ranks

	Gender	N	Mean Rank	Sum of Ranks
Reward_and_recognition	Males	130	82.20	10685.50
	Females	30	73.15	2194.50
	Total	160		
cultural_difference	Males	130	81.83	10638.00
	Females	30	74.73	2242.00
	Total	160		

organizational_structure	Males	130	80.31	10440.00
	Females	30	81.33	2440.00
	Total	160		
Autonomy_and_learning	Males	130	79.12	10286.00
	Females	30	86.47	2594.00
	Total	160		

Test Statistics^a

	Reward_and_recognition	cultural_difference	organizational_structure	Autonomy_and_learning
Mann-Whitney U	1729.500	1777.000	1925.000	1771.000
Wilcoxon W	2194.500	2242.000	10440.000	10286.000
Z	-.984	-.778	-.112	-.793
Asymp. Sig. (2-tailed)	.325	.437	.911	.428

a. Grouping Variable: Gender

Interpretations:

There is no significant difference between the groups based on gender in terms of Reward and Recognition - 0.325, Cultural Difference – 0.437, Organizational structure – 0.911, Autonomy and learning – 0.428 as the p-value (Asymp. Sig.) is greater than the significance level of 0.05. Therefore, we accept the null hypothesis for all the variables, indicating no significant differences between the groups based on gender.

Kruskal- Wallis Test (H-Test)

Null Hypothesis H0: There is no significant difference among the mean rank of Age and Variables (Reward and recognition, Cultural difference, Organizational structure and Autonomy and learning).

	Age	N	Mean Rank
Reward_and_recognition	Less than 25	49	88.12
	26 to 30	38	80.33
	31 to 35	43	73.64
	36 to 40	16	74.53

	41 and above	14	82.18
	Total	160	
cultural_difference	Less than 25	49	86.62
	26 to 30	38	78.25
	31 to 35	43	76.60
	36 to 40	16	70.66
	41 and above	14	88.39
	Total	160	
organizational_structure	Less than 25	49	72.60
	26 to 30	38	86.11
	31 to 35	43	78.99
	36 to 40	16	77.66
	41 and above	14	100.82
	Total	160	
Autonomy_and_learning	Less than 25	49	86.31
	26 to 30	38	73.33
	31 to 35	43	78.33
	36 to 40	16	82.44
	41 and above	14	84.11
	Total	160	

Test Statistics^{a,b}

	Reward_and_recognition	cultural_difference	organizational_structure	Autonomy_and_learning
Chi-Square	2.660	2.517	5.000	1.937
df	4	4	4	4
Asymp. Sig.	.616	.642	.287	.747

a. Kruskal Wallis Test

b. Grouping Variable: Age

Interpreation:

There is no significant difference between the age groups in terms of Reward and recognition – 0.616, Cultural difference – 0.642, Organizational structure – 0.287 and Autonomy and learning– 0.747 as the p-value (Asymp. Sig.) is greater than the significance level of 0.05. Therefore, we accept the null hypothesis for all the variables, as there is no significant differences between the age groups.

Kolmogorov-Smirnov Test

Null Hypothesis H0: There is no relationships between the Gender with respect to Reward and recognition, Cultural difference, Organizational structure and Autonomy and learning.

Frequencies

	Gender	N
Reward_and_recogniti on	Males	130
	Females	30
	Total	160
cultural_difference	Males	130
	Females	30
	Total	160
organizational_structur e	Males	130
	Females	30
	Total	160
Autonomy_and_learni ng	Males	130
	Females	30
	Total	160

Test Statistics^a

		Reward_and_r ecognition	cultural_differ ence	organizational _structure	Autonomy_an d_learning
Most Extreme Differences	Absolute	.126	.177	.103	.144
	Positive	.051	.026	.069	.144
	Negative	-.126	-.177	-.103	-.059
Kolmogorov-Smirnov Z		.620	.873	.506	.709

Asymp. Sig. (2-tailed)	.836	.430	.960	.696
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a. Grouping Variable: Gender

Interpretation:

There is no significant difference in the distribution of Reward and recognition – 0.836, Cultural difference – 0.430, Organizational structure – 0.96 and Autonomy and learning- 0.696 scores between the genders, as the p-value (Asymp. Sig.) is greater than the significance level of 0.05. Therefore, we accept the null hypothesis as there is no relationships between the Gender with respect to Reward and recognition, Cultural difference, Organizational structure and Autonomy and learning.

SUGRESSIONS

The organization's culture should align closely with its reward and recognition system to enhance job satisfaction. Valuing individuals from diverse cultures equally and providing equal opportunities is essential. Effective management of organizational structure and hierarchy can positively influence motivation levels. Robust learning and development programs tailored to individual needs can boost employee confidence and motivation. Additional training opportunities, both internal and external, should be provided to enhance employee performance. Attention to work-life balance and consideration for extended work hours can improve employee well-being. Encouraging and implementing innovative ideas from all employees fosters a culture of creativity and growth.

CONCLUSION

In conclusion, this study highlights the important influence that corporate culture has on worker motivation and output. The results highlight how important it is to have a positive, encouraging culture in order to increase employee contentment, engagement, and eventually production. Enhancing employee morale, dedication, and overall performance is advantageous for organizations that place a high priority on creating a culture that is consistent with their values and objectives. In light of this, firms looking to maximize human capital and achieve long-term success in the fast-paced work environments of today should consider it strategically vital to comprehend and actively shape organizational culture.

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