

THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEE BEHAVIOR

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Abstract

Purpose: Organizational culture plays a critical role in shaping employee behavior and determining the overall success of a company. When employees are aligned with the company's values and feel supported, motivated, and recognized, they are more likely to contribute positively to the organization. By focusing on defining core values, fostering open communication, recognizing achievements, promoting inclusion, and investing in employee development, companies can create a thriving organizational culture that leads to improved performance, satisfaction, and retention. **Methodology:** The method used in this article is a **qualitative research method**, which aims to describe and explore the impact of organizational culture on employee performance. **Finding:** Research shows that the **values and norms** of an organization are often shaped by the relationships among its employees. The relationship between values, norms, and employee relationships is central to shaping an organization's culture. By understanding the nature of the system culture, organizations can refine their approach, foster a positive work environment, and design effective strategies that drive enhanced performance. **Recommendation:** By making the culture easy to grasp, organizations can create an environment where expectations are transparent, and employees are motivated to align their behavior with the company's values and goals. This not only enhances job satisfaction but also leads to improved performance and a more cohesive, productive workforce.

Keywords: Organizational culture, Employee Performance, Organization Performance, organizational goals, employee behavior.

Introduction

Organizational culture refers to the shared values, beliefs, behaviors, norms, and practices that define how things are done within an organization. It essentially acts as the "personality" of the company, shaping how employees interact with one another, approach their work, and contribute to the company's overall success. The culture of an organization is often considered one of its most vital assets because it significantly impacts various aspects of the business, including employee behavior, job satisfaction, productivity, and overall organizational performance.

Organizational systems always find ways of controlling behavior so as to maintain a balance in the system, even when that balance may be less than optimal for the organization's success. Some of the ways organizations do this are through the formal and informal cultures in place. Every organization has a culture that sets the rules for employee behavior. Culture is the style or behavior patterns that organizational members use to guide their actions (Cohen, 1993).

Types of Organizational Culture

1. Clan Culture: Focuses on collaboration, teamwork, and employee involvement. This culture is like a "family," where loyalty, commitment, and nurturing are important.

2. Adhocracy Culture: Innovation and risk-taking are prioritized in this culture. Organizations with an adhocracy culture are focused on growth, creativity, and exploring new opportunities, often in fast-paced industries.

3. Market Culture: Emphasizes results, competition, and achievement. The focus is on meeting external goals such as sales targets, customer satisfaction, and market share.

4. Hierarchy Culture: Focuses on stability, structure, and control. It prioritizes formal procedures, clear roles, and efficiency, often in larger or more traditional organizations.

Organizational culture significantly influences employee behavior in several ways:

1. Values and Beliefs: The core values of an organization shape how employees view their roles and responsibilities. When these values align with personal beliefs, employees are more likely to be motivated and engaged.

2. Communication Styles: Cultures that promote open communication encourage employees to express ideas and concerns. This leads to higher engagement, innovation, and collaboration.

3. Recognition and Reward Systems: A culture that acknowledges and rewards employee contributions fosters motivation. When

employees feel appreciated, they are more inclined to go above and beyond in their work.

4. **Team Dynamics:** A positive culture encourages teamwork and collaboration, which can enhance productivity and morale. In contrast, a competitive or toxic environment can lead to isolation and decreased cooperation.
5. **Leadership Practices:** The behavior of leaders sets the tone for the organization. Leaders who model positive behaviors and uphold cultural values inspire employees to do the same.
6. **Flexibility and Autonomy:** Cultures that promote flexibility and empower employees to make decisions lead to greater job satisfaction and ownership over work, fostering innovation and responsibility.

Overall, a well-defined organizational culture can drive employee behavior towards productivity, satisfaction, and retention.

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Types of organizational culture



An effective corporate culture is fundamental to business success, influencing various aspects of an organization.

Employee Behavior

Employee behavior refers to how workers act, think, and interact in the workplace. It's shaped by factors like personality, company culture, leadership style, and outside influences. The way employees behave can have a major impact on things like productivity, teamwork, and the overall atmosphere in the workplace.

Here are some key elements of employee behavior:

1. **Work Ethic:** This describes how committed and dedicated an employee is to their job. It includes things like being punctual, putting in the effort, and following through on tasks.

2. **Attitude:** This covers the mindset an employee brings to work. A positive attitude involves being open to learning, staying adaptable, and handling challenges or stress well.
3. **Communication:** How well an employee shares their ideas, listens to others, and works with teammates. Effective communication is key to avoiding misunderstandings and making collaboration smoother.
4. **Collaboration and Teamwork:** This is about how an employee interacts with others in a team setting. It includes being cooperative, resolving conflicts, and being willing to lend support to colleagues when needed.
5. **Responsibility and Accountability:** This reflects an employee's ability to take charge of their tasks and the results of their work. It involves owning up to mistakes, celebrating successes, and taking initiative in their duties.

Individual behavior in the workplace is influenced by several factors that shape how an employee acts, interacts with others, and approaches their work. Understanding these factors is crucial for improving productivity, fostering a positive work environment, and addressing challenges that may arise. Here are the key factors that influence individual behavior in the workplace:

Personality: An individual's personality traits, like being introverted or extroverted, open to new ideas, or detail-oriented, affect how they work and interact with others.

Values and Beliefs: What employees believe in (like ethics, integrity, or ambition) influences their work behavior and what they focus on, whether it's balancing work and life or climbing the career ladder.

Emotional Intelligence: The ability to understand and manage your own emotions, as well as others' emotions, helps in communication, resolving conflicts, and working well in teams.

Team Dynamics: How teams work together affects individual behavior. Good teamwork encourages collaboration, while negative team dynamics can cause conflict or disengagement.

Peer Pressure: Employees are influenced by the behavior of their coworkers. If most people act positively, others are more likely to follow suit.

Social Learning: Employees often learn by watching and imitating role models or mentors at work.

Self-Perception: How employees see their own skills and role affects their confidence, decisions, and readiness to take on new challenges.

Perceived Organizational Support: When employees feel valued and supported by their

company, they tend to be more engaged and satisfied with their work.

Expectancy and Fairness: Employees who believe they're treated fairly regarding promotions, rewards, and workload are more likely to show positive, productive behavior. Perceptions of unfairness can lead to disengagement.

By understanding these factors, organizations can foster an environment that encourages positive individual behavior, leading to a more productive, harmonious, and engaged workforce.



Figure 1: Factors on individual's behaviour in workplace

What is the relationship between organizational culture and employee behavior?

Creating a positive organizational culture is essential for maximizing employee engagement and productivity.

Organizational culture significantly influences employee behavior in the following ways:

1. **Engagement and productivity:** A positive culture fosters a sense of belonging and motivation, leading to higher productivity. Companies that align their decisions with their values can achieve up to 70% employee engagement, compared to the average 32% engagement rate in the US.

2. **Communication and collaboration:** Culture shapes how employees interact, share information, and work together. A culture that promotes open communication and teamwork can enhance cross-departmental collaboration and collective ownership of company goals. 3. **Decision-making and problem-solving:** The organizational culture influences how employees approach challenges and make decisions. A culture that encourages innovation and risk-taking may lead to more creative problem-solving approaches.

4. **Ethical behavior and integrity:** The company's values and ethical standards, as reflected in its culture, guide employee conduct. A strong ethical

culture can promote honesty, transparency, and responsible behavior among employees.

5. **Adaptability and learning:** A culture that values continuous improvement and learning can enhance employees' ability to adapt to change and acquire new skills. This can lead to increased innovation and organizational resilience.

To improve organizational culture and its impact on employee behavior:

- Gather and act on employee feedback to address issues affecting morale and engagement.
- Invest in leadership training programs focusing on emotional intelligence and effective communication.
- Organize team-building activities and cross-departmental projects to foster collaboration and inclusivity.

Literature Review

Organizational culture: an overview

Organizational culture is a critical factor in shaping the identity of an organization and influencing employee dynamics.

Organizational culture is a concept that doesn't have a single definition; rather, it encompasses various interpretations. For example, Geert and colleagues (2010) describe it as a cognitive process that helps differentiate one member from another through shared thinking patterns. Schein (2004) emphasizes that culture serves as a guide to success, shaped by different values and norms that enhance its effectiveness. Similarly, Kotter and others (1992) define it as a combination of beliefs, behaviors, norms, and values that contribute to creating an effective culture. [1].

The study of organizational culture has been extensively explored by various scholars, but there isn't a universally accepted definition (Ojo, 2008). Organizational culture deeply influences all aspects of an organization (Hallett, 2003). It affects productivity by shaping how employees behave and work; ultimately, the contributions of employees play a crucial role in determining overall productivity levels.

Research indicates that organizational culture impacts several key outcomes, including productivity, performance, commitment, self-confidence, and ethical behavior (Buchanan and Huczynski, 2004; Shani and Lau, 2005; Ojo, 2009). Thus, organizational culture is a fundamental factor in an organization's success, as it significantly influences how employees approach their work. [2] Organizational culture is the set of shared values, beliefs, and assumptions that shape how people behave within a company (Schein, 2010). It's often referred to as the "personality" of the organization, influencing how employees act, make decisions, and interact with one another. Different aspects of

organizational culture, like a focus on innovation, a structured hierarchy, or teamwork, all play a role in determining how employees think and behave at work.

A supportive organizational culture can boost employee motivation by aligning the company's goals and values with those of its employees. According to Deci and Ryan's Self-Determination Theory (1985), when employees feel their workplace supports their need for independence, competence, and connection with others, they become more intrinsically motivated. Cultures that promote empowerment and trust encourage employees to take initiative, which leads to more creativity and proactive behavior.

On the flip side, an authoritarian or strict culture, where employees feel micromanaged or unappreciated, can reduce motivation. Research by Kotter and Heskett (1992) found that companies with flexible, supportive cultures generally perform better in terms of employee productivity and overall success compared to those with weak or negative cultures.

In team-based work environments, the culture of the organization greatly impacts how employees work together, communicate, and resolve conflicts. A culture that values collaboration, trust, and respect encourages positive team behaviors like open communication, problem-solving, and sharing knowledge (Edmondson, 1999). On the other hand, a culture that emphasizes competition over collaboration can create unhealthy rivalries, communication issues, and low team morale.

The influence of organizational culture is especially important in teams that require diverse skills and perspectives, such as cross-functional or project-based teams. A culture that promotes inclusivity, feedback, and shared decision-making leads to better teamwork and improved results (Schein, 2010).

Leadership plays a crucial role in shaping and maintaining an organization's culture. Leaders impact employee behavior by setting clear expectations, modeling the right behaviors, and reinforcing cultural values. When leaders act ethically, are transparent, and support employee growth, they help create a positive culture that fosters trust, commitment, and ethical conduct (Bass & Avolio, 1994).

On the other hand, leaders who act inconsistently or fail to uphold the organization's values can weaken the culture, leading to confusion, disengagement, and lower morale among employees. As Kotter (1996) highlighted, strong leadership is essential in driving cultural change and aligning employee behavior with the organization's overall goals.

Conclusion

Research shows that organizational culture has a major influence on employee behavior. A supportive, inclusive, and performance-driven culture can boost motivation, job satisfaction, performance, and teamwork. When the culture aligns with the values and needs of the employees, it leads to better results for both individuals and the company. On the other hand, a toxic or misaligned culture can cause disengagement, low performance, and high employee turnover.

To improve employee behavior and overall performance, organizations need to create a culture built on trust, support, and alignment with company goals. Leaders must regularly evaluate and adjust the culture to ensure it continues to encourage positive behavior and contribute to the success of the organization.

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