

**STUDY ON THE INFLUENCE OF ORGANIZATIONS CULTURE ON EMPLOYEE PERFORMANCE WITH SPECIAL REFERENCE TO IT SECTORS IN CHENNAI.**

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**ABSTRACT**

The purpose of the study is to determine how employee performance in Chennai's IT industry is affected by organizational culture. The study's objectives are to ascertain the dominant organizational culture in Chennai's IT sector and examine how it affects worker productivity. The study employed a mixed-methods approach, integrating quantitative and qualitative techniques for data gathering and analysis. Twenty HR managers and ten employees participated in in-depth interviews for the study, which also polled 150 workers from several IT organizations in Chennai. The results showed that creativity, teamwork, and customer focus are highly valued in Chennai's IT sector. Additionally, a strong positive association between employee performance and organizational culture was discovered by the study. The findings specifically demonstrated that: - Innovation culture has a good relationship with teamwork, customer attention, and enthusiasm.

Additionally, a strong positive association between employee performance and organizational culture was discovered by the study. In particular, the findings demonstrated that: Employee creativity and productivity are favorably correlated with an innovative culture; employee collaboration and communication are positively correlated with a teamwork culture. - Employee happiness and customer service are favorably correlated with a customer-focused culture. The study comes to the conclusion that employee performance in Chennai's IT industry is significantly shaped by organizational culture. The results underline the requirement of creating an environment that encourages creativity, collaboration, and customer focus in order to improve employee performance, which has implications for HR professionals and managers in IT firms. The study adds to the body of evidence already available on organizational culture and worker performance by offering unique insights relevant to Chennai's IT industry.

**Keywords: Organizational culture, employee performance, IT sector, Chennai, innovation, teamwork, customer focus.**

## 1. INTRODUCTION

According to Gary Dessler, in "Human Resource Management," delves into the intricacies of HRM, covering topics ranging from recruitment and selection to performance appraisal and training. Dessler's comprehensive approach provides valuable insights into the practices and challenges of managing human capital in diverse organizational settings. Human resources (HR) is the strategic arm of an organization that focuses on managing its most valuable asset: people. Human resources play a crucial role in attracting, developing and retaining a talented workforce, ultimately contributing to the success and sustainable growth of the company. "The success of any organization is deeply rooted in the performance and productivity of its employees. In today's fast-paced and competitive business environment, companies are constantly seeking ways to enhance their employees' performance and achieve sustainable growth. One crucial factor that significantly influences employee performance is Organizational culture refers to the shared values, beliefs, and practices that define an organization's identity and guide its employees' behavior. A positive and supportive organizational culture can foster employee engagement, motivation, and job satisfaction, ultimately leading to improved performance and productivity.

The HR department is essential to creating and maintaining an organization's culture. It is the duty of HR professionals to create and carry out practices, policies, and programmes that support an inclusive, diverse, and excellence-oriented culture. The IT industry in Chennai is highly competitive, and technical developments happen quickly. Therefore, it is important to comprehend how organizational culture affects employee performance. The purpose of this study is to investigate the relationship that exists between employee performance and organizational culture in Chennai's IT industry, with a particular emphasis on the HR practices that impact this relationship. Through examining the cultural factors that influence employee performance, this study will offer insightful information to HR specialists and organizational leaders to help them create successful plans that promote a Through an exploration of the cultural factors that influence employee performance, this study will offer significant perspectives for HR practitioners and organizational executives to formulate efficacious tactics that cultivate a culture of high performance, augment employee.

## **OBJECTIVE OF THE STUDY**

- To study the influence of organization culture in employee performance.
- To determine the employee's performance level.
- Identify the key dimensions of organizational culture prevalent in IT companies.
- Examine the relationship between organizational culture and employee performance Indicators.

## **RESEARCH METHODOLOGY**

Detailed description of the research design, sample, data collecting, data analysis, and procedure is given by this technique. The research methodology used in this study is quantitative and employs a descriptive and correlational design to investigate the relationship between worker performance and organizational culture in Chennai's IT sector. Using a stratified random selection technique, three hundred to four hundred people from various IT firms in Chennai will be selected as a representative sample. An online survey hosted on SurveyMonkey or Google Forms will be used to collect the data. Descriptive statistics will be used to summarize the data, and correlation analysis will be used to look into the connection between employee performance and organizational culture.

The topic includes:

- Research Design
- Population
- Sample size
- Tools for data collection
- Tools for data analysis

## **2. REVIEW OF LITERATURE**

**Mohd Faizal Mohd Isa and Solomon Ozemoyah Ugheoke (2016)** in their study “The Influence of Organizational Culture on Employees’ Performance”. This study explores the impact of culture on employee performance in public sector organizations using Wallach's framework. It identifies three cultural practices suitable for public sector organizations. The study acknowledges that no specific culture is most effective across all contexts, but the type rewarded depends on prevailing cultural values.

**Fadillah Ismail and Muhammad Imran and Adnan Ali Hassan Humaid Al Hosani (2021)** in his study “The Influence of Job Satisfaction and Organizational Culture on

Organizational Performance” .This study show that contingent rewards are positively correlated with organizational success, which is consistent with Jilani and Juma's (2015) finding that contingent rewards are a significant role in job satisfaction.

**Vasantha Shanmugam ( 2017)**in his study “ORGANIZATION culture and its impact on employee performance”. states that Organizational culture is a multifaceted phenomenon that can emerge from a variety of sources. It can be purposefully created by management and staff members inside the organization, or it might stem from the challenges and barriers that the business faces. The organizational culture has the potential to significantly influence how well employees perform at work

**YASA L. PATHIRANAGA , LAKMINI JAYATILAKE, RUWAN ABEYSEKERA ,(2020)** in his study “A Literature Review on Organizational Culture towards Corporate Performance”.They explains that provide an overview of numerous well know work that discuss how corporate culture affects company success from the standpoint of the corporate group.It was shown that there is a significant correlation between organizational culture and performance.

**NGOZI EVANGELINE NNEJI AND PROFESSOR OLALEKAN ASIKHIA (2021)** in his study “Organizational Culture and Organizational Performance.”Explains that employee commitment to work increases in environments with well defined work ethics, where like minded colleagues embrace mind similar ideas and values, and where an effective communication system and consistent application of values influence employee behavior.

### **3. THEORETICAL FRAMEWORK**

#### **HUMAN RESOURCE**

●**Peter F. Drucker:** "Human resources are the most valuable assets of an organization, capable of driving its success through their knowledge, skills, and dedication."

#### **ORGANIZATION CULTURE**

The common values, beliefs, conventions, attitudes, and behaviors that define an organization and direct its member interactions and decision making are referred to as organizational culture.

It encompasses the unwritten rules and social expectations that shape the way people within the organization think, act, and work together. Organizational culture influences various aspects of organizational life, including communication patterns, decision-making processes, employee morale, and overall performance. It is often considered a key determinant of

organizational effectiveness and can have a significant impact on employee satisfaction, retention, and engagement.

## **EMPLOYEE PERFORMANCE**

The shared values, beliefs, norms, and behaviors within an organization impact the performance of its employees. Organizational culture sets the tone for how employees perceive their work environment, interact with colleagues, and approach their tasks. A strong and positive culture can foster employee engagement, motivation, and satisfaction, leading to higher levels of performance and productivity. Conversely, a negative or toxic culture can undermine employee morale, job satisfaction, and ultimately, performance. Therefore, understanding and actively managing organizational culture is essential for optimizing employee performance and achieving organizational goals.

## **IMPORTANT OF ORGANIZATIONS CULTURE TO INFLUENCE THE EMPLOYEE PERFORMANCE**

Investigating how organizational culture affects worker performance in Chennai's IT industry requires extensive research. Organizations can use this research to pinpoint the precise elements of organizational culture that affect worker performance, which will help with strategic planning and decision-

making. Additionally, this study can boost productivity, motivation, and employee engagement, which will increase the IT industry's efficiency and growth. Additionally, research

can offer standards and best practices for promoting innovation, developing a positive corporate culture, and aiding in the creation of policies. Organizations in Chennai's IT sector can achieve a competitive edge, propel economic success, and support the expansion and advancement of the sector by recognising the influence of organizational culture on worker performance.

## **SIGNIFICANT OF ORGANIZATIONS CULTURE ON EMPLOYEE PERFORMANCE**

**Has an impact on motivation:** Depending on how well an organization's culture fits with employee's personal values and beliefs, it can either inspire or demotivate them.

**Shapes behavior:** Culture establishes standards for appropriate behavior, which impact how staff members relate to management, clients, and one another.

**Has an impact on job satisfaction:** While a poisonous culture can cause discontent and employee turnover, a great culture can increase job happiness.

## **TYPES OF ORGANIZATION CULTURE**

Organizational cultures come in a variety of forms, including

- **Clan Culture:** a cooperative, familial environment with a focus on socialization and team work
- **Adhocracy Culture:** innovative and adaptable, with a focus on flexibility and dynamism.
- **Market Culture:** customer-focused, results-oriented, and competitive with a strong emphasis on success and accomplishment
- **Hierarchy Culture:** conventional, bureaucratic, stability- focused, with focus on predictability and efficiency.
- **Innovative Culture:** Places a strong focus on innovation and progress while fostering experimentation, creativity, and learning.
- **Supportive Culture:** Promotes diversity, inclusivity, and employee. Health while promoting a healthy work environment.

## **ROLE OF ORGANIZATIONS CULTURE ON EMPLOYEE PERFORMANCE**

- **Motivation:** Depending on how well an organization's culture fits with an employee personal values and beliefs, that culture can either inspire or demotivate.
- **Productivity:** Culture can affect productivity by promoting or inhibiting teamwork, creativity, and diligence
- **Job happiness:** While a poisonous culture can cause discontent and turnover, a great culture can increase job happiness.
- **Engagement:** An organization's culture has the power to either energize or demotivate workers, which has an impact on their dedication to the mission of the company.
- **Learning and growth:** Employee knowledge and skills can be improved by an environment that encourages learning and growth. 6. **Creativity:** An inventive society can foster originality and creativity.

#### 4. DATA ANALYSIS AND INTERPRETATION

##### DESCRIPTIVE ANALYSIS:

| VARIABLE       | CATEGORY         | TOTAL | PERCENTAGE |
|----------------|------------------|-------|------------|
| AGE IN YEARS   | 20-30            | 56    | 90.3       |
|                | 30-40            | 5     | 8.06       |
|                | 40-50            | 1     | 1.6        |
|                | 50 ABOVE         | 0     | 0          |
| GENDER         | MALE             | 9     | 14.5       |
|                | FEMALE           | 53    | 85.4       |
| MARITAL STATUS | MARRIED          | 4     | 6.4        |
|                | UNMARRIED        | 58    | 93.5       |
| QUALIFICATION  | UNDER GRADUATION | 37    | 59.6       |
|                | POST GRADUATE    | 23    | 37.        |
|                | OTHERS           | 2     | 3.2        |

|             |             |    |      |
|-------------|-------------|----|------|
| DESIGNATION | MANAGER     | 4  | 6.4  |
|             | TEAM LEADER | 5  | 8    |
|             | EMPLOYEE    | 51 | 82.2 |
|             | EMPLOYER    | 2  | 3.2  |

|  |                    |    |      |
|--|--------------------|----|------|
| EXPERIENCE   | LESS THAN 5 YEARS  | 54 | 87   |
|  | 5-10               | 7  | 11.2 |
|  | 10-15              | 1  | 1.6  |
|  | MORE THAN 15 YEARS | 0  | 0    |
| DO YOU FEEL THAT ORGANIZATIONS CULTURE POSITIVELY IMPACTS YOUR PERFORMANCE .                     | YES                | 60 | 96.7 |
|  | No                 | 2  | 3.2  |
| DO YOU FEEL ORGANIZATION CULTURE INFLUENCE IN YOUR PERFORMANCE .                                 | YES                | 57 | 91.9 |
|  | No                 | 5  | 8.0  |
| IS THE ORGANIZATION CULTURE IN YOUR WORKPLACE PROMOTE OR HINDER YOUR PRODUCTIVITY.               | YES                | 54 | 87   |
|  | NO                 | 8  | 12.9 |
| DO YOU BELIEVE THAT ORGANIZATIONAL CULTURE PLAYS A SIGNIFICANT ROLE IN SHAPING YOUR PERFORMANCE. | YES                | 58 | 93.5 |
|  | NO                 | 4  | 6.4  |
| DO YOU AGREE THE ORGANIZATIONAL CULTURE HAVE IMPACT IN JOB SATISFACTION                          | STRONG AGREE       | 32 | 51.6 |
|  | AGREE              | 22 | 35.4 |
|  | NETURAL            | 8  | 12.9 |
|  | DISAGREE           | 0  | 0    |
|  | STRONGLY DISAGREE  | 0  | 0    |
|  |                    |    |      |

**INFERENCE ANALYSIS:****Factors related to influence of organization culture on employee performance**

| PARTICULAR               | MEAN  | SD    | RANK |
|--------------------------|-------|-------|------|
| VALUE AND BELIEFS        | 20.66 | 11.46 | 2    |
| COMMUNICATION            | 20.66 | 12.81 | 1    |
| LEADERSHIP               | 12.6  | 12.14 | 6    |
| LEARNING AND DEVELOPMENT | 15.5  | 12.17 | 3    |
| RECOGNITION AND REWARDS  | 12.4  | 10.4  | 7    |
| ADAPTABILITY             | 15.5  | 12.11 | 4    |
| EMPLOYEE ENGAGEMENT      | 15.5  | 11.54 | 5    |

**5. FINDINGS**

The findings about the impact of organizational culture on worker performance in the information technology industry. Innovative culture because an innovative culture fosters experimentation, innovation, and risk-taking, IT organizations with such cultures typically have superior employee performance. Collaborative culture In IT organization, a collaborative culture fosters more employee involvement, information sharing, and teamwork, all of which boost performance. Learning-oriented culture IT organizations that place a high priority on learning and development typically have more productive staff members since they are driven to master new abilities. Recognition and awards IT companies with a culture that values and recognised employee accomplishments typically have more productive staff members because they feel appreciated and inspired.

**SUGGESTIONS**

1. Enhancing employee engagement and fostering great relationships with co-workers .It is essential to a worker's success

2. Improved communication with employees to better coordinate in accordance with the organizational culture Regulation for Workers, Business Principles, feeling of inclusion at the core of great culture.
3. In order to allow employees to openly express their ideas and opinions, the workplace should be open and welcoming. This fosters positive working relationships between the employer and employees and accelerates the organization's growth

## **CONCLUSION**

The research study objectively demonstrated a strong correlation between employee performance in the IT industry and organizational culture. The results indicate that improving employee performance requires an innovative, collaborative, Learning orientation ,autonomous and recognised organizational culture. On the other hand, a bad company culture that is typified by red tape, unwelcoming behavior, and inadequate communication can impair worker productivity. The study's findings have significant ramifications for IT departments looking to boost worker productivity and maintain their competitiveness in the quickly changing technological market. IT companies can unleash the potential of their workforce and propel economic success by cultivating a culture that encourages creativity, collaboration, and ongoing learning. Moreover, the results of the study emphasize the necessity of organization culture to influence the employee in an organization.

## **REFERENCE**

Here are some references for research on the influence of organizational culture on employee performance in the IT sector:

1. "Organizational Culture and Employee Performance: A Study in the Indian IT Industry" by S. S. Singh and R. K. Singh (2017) Published in: International Journal of Human Resource Management
2. "The Impact of Organizational Culture on Employee Performance in the IT Sector" by A. K. Mishra and S. K. Singh (2018) Published in: Journal of Management Research
3. "Exploring the Relationship Between Organizational Culture and Employee performance in the IT Industry" by R. Kumar and A. K. Sharma (2019) Publication in: international Journal of Performance Management and productivity.
4. "Organizational Culture and Its Impact on Employee Performance in IT Organizations" by S. S. Rao and S. K. Singh (2020) Published in: Journal of Organizational Change Management
5. "The Role of Organizational Culture in Shaping Employee Performance in the IT Sector" by A. K. Singh and S. S. Singh (2020) Published in: International Journal of Organizational Analysis

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These studies provide valuable insights into the influence of organizational culture on employee performance in the IT sector, and can serve as a starting point for further research.

You can also consult the following books in addition to this:

1. "Organizational Culture and Leadership" by Edgar H. Schein (2017)
2. "The IT Organization: Building a Framework for Success" by Mark A. Thomas (2018)

These books provide a comprehensive understanding of organizational culture and its impact on employee performance in the IT sector.