

## Organizational Culture and Employee Performance: Empirical Analysis

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### Abstract

This study examines the correlation between organizational culture and performance of employee in service industries in Delta Central, Delta State Nigeria. Descriptive survey design was adopted. The population comprised 5 hotels selected randomly with a total population of 51 employees and a sample size of 45 was equally obtained by Taro Yamane's technique. Questionnaire was the instrument used for data collection. Data collected were subjected to correlation co-efficient statistical tool and mean standard deviation analysis. Based on the analysis, the three (3) variables of organizational culture-people orientation, team orientation and aggressiveness are significant predictors of employee performance. The co-efficient of the variables are positive and significant ( $PO.04 < 0.05$ ;  $PO.005 < 0.05$ ) except people orientation ( $PO.123 > 0.05$ ). Therefore, the study concluded that organizational culture has a significant positive effect on employee performance in service industries (hotels). Based on this, the study recommended that service industries should generate culture that support teamwork with emphasis on enhanced communication in order to influence attitude, opinion, beliefs and reduced attitude of self centeredness. Again, since team orientation has positive correlation with employee performance, management should also pay attention to recognition and financial rewards for performing team. Service industry management should also pay attention to team and individual aggressiveness since it has strong positive relationship with employee performance in service industry.

**Keywords:** Organizational Culture, People Orientation, Team, Orientation, Aggressiveness, Employee Performance.

### Introduction

The organization's standards and beliefs have a significant impact on how committed and devoted to duty many personnel are. As far as the employees are concerned, the culture, or way of life, of the company is essential to its success since it acts as a foundation for how its personnel should function. According to Brooks (2006), an employee's loyalty depends on their understanding of and sensitivity to the organizational culture. According to Alharbi and Alyahya (2013), culture is a combination of value systems, modes of communication, and explanations of behavior that offer people direction. Before making a placement, a firm should not hesitate to let its employees know about its culture so they can accept or reject it. There are company conventions and attitudes that an employee's lifestyle may not find comfortable. There won't be better performance if this criterion is compromised. According to Robbins and Sanghi (2007), the attractiveness of organizational norms, values, and beliefs have a significant impact on both performance and sustainability. Employee norms have an impact on long-term performance and the management of organizational culture, which ultimately results in the achievement of profitability (Stewart, 2020).

The practices, beliefs, conventions, values, etc. of an organization all play a significant role in how well an individual performs.

Strong associations and the development of culture also contribute to an organization's competitive edge. Every organization's culture affects whether or not the business climate will be favorable; in other words, an organization's culture and practices determine whether or not it can compete in that setting. According to Schein (1990), norms, attitudes, and beliefs that promote open communication among employees have an impact on an organization's culture.

In the light of the above, the specific objectives of the study are to determine the effect of people orientation on employee performance, investigate the connection between team orientation and employee performance and examine the effect of aggressiveness on employee performance. To achieve these objectives, hypotheses are formulated in null form as follows; people orientation, team orientation and aggressiveness have no significant positive effect on the performance of manufacturing firms.

### **Hypotheses**

- i. There is no significant relationship between people orientation and employee performance in service industry.
- ii. There is no significant relationship between team orientation and employee performance in service industry.
- iii. There is no significant relationship between aggressiveness and employee performance in service industry.

### **Conceptual Framework**

**Organizational Culture:** Culture refers to a person's inherited way of life. According to Sowell (1993), each society has its own unique set of values regarding the current lower and higher objectives of life, as well as a certain set of abilities for coping with economic and social demands of existence. According to Inglehart (2002), significant and pervasive cultural inequalities are correlated with economic differences. A culture can be impacted by changes in the economy and vice versa. In today's corporate world, organizational culture must be given significant consideration. Every aspect of organizational performance can be impacted by culture as a way of life, and even organizational culture can affect employee behavior. According to Martins and Martins (2003), it actually involves standards and norms that outline how employees should conduct in a certain firm. All organizations, no matter where they are, operate within a particular culture (Jones and Blunt, 2009). It is becoming clear from the current discussion of firm performance that for organizations to function effectively, managers and other institutional practitioners must gain an understanding of their cultural context. Employees must take the business's culture seriously in order to integrate into the workforce of the organization appropriately, regardless of the type of the organization, whether it is one that provides services or manufactures products. And every corporation must not be reluctant to educate staff members about company standards in order to prevent the behavior that is demanded by the workers.

**People Orientation:** One sign of organizational culture is a people-oriented approach. The organization's culture is described by this variable, along with the organization's preferences and perhaps what is expected of its employees. People orientation is crucial and essential in every business in order to guide the employee in achieving the defined goal(s) (Onoriode, Oboreh &

Abarika, 2023). During the people's orientation, any error that the organization may make in the future is brought to light. Any new employee, being a member of the management team or a blue collar worker, needs a suitable introduction to the business. The goal of this exercise is to facilitate the employee's easy adjustment to his new surroundings. Given that people have diverse orientations, this is very required. It's possible that Company A's orientation exercise will be of a different kind than Company B's. All orientation is referred to as orientation, however the methodologies can vary. Since the employee has a lot to learn about the company, his superior, and his coworkers during his first few days in any job position, people orientation helps him get over the early shocks (Nwankwo, 2009). Furthermore, the author claimed that regardless of how small an employee's contribution may be, doing so makes them feel wanted by the organization. During the orientation activity, the organization's norms and beliefs are also related to the employee. Every organization performs better when its employees are better oriented, so this issue must not only be treated properly but also fairly. According to Onoriode and Agbele (2021) opined that the majority of decision-makers in both private and governmental organizations operate with their eyes closed and show favoritism to the disadvantage of the organization.

**Team Orientation:** Teamwork is the combination of inputs and resources that cooperate to achieve organizational goals. Each organization member is assigned a specific role, problems are fairly distributed, and continual small improvements are sought after (Onoriode & Ibegbulem, 2023). It also entails the process of assisting the concerned group of people in achieving their objectives. Certain organizational objectives may be accomplished by a person, but teamwork can make this achievable. Teams help people work together, develop their unique skills, and offer helpful criticism without causing interpersonal conflicts (Jones *et al.*, 2007). It is impossible to overstate the value of team orientation in contemporary businesses. Every organization's expectations for teamwork must be communicated to the individual. It must be acknowledged that a team is to operate amicably and putting sentiment aside, regardless of tribal or ethnic practices. Teamwork is used to handle challenges equitably (Fajana, 2002). Through team orientation, this beneficial notion should be shared with each team member. Although it may take some time to achieve this type of aim when teamwork is discussed in some firms, strong organizational HRM may be addressed equally through appropriate and well-planned orientation exercises. In reality, academics from all over the world are coming to the conclusion that while an organization may use individuals to complete tasks, true success comes from the teamwork needed to reach predetermined objectives. In order to achieve greater success, this practice is meant to assist employees in viewing themselves as members of autonomous teams as opposed to as lone contributors (Onoriode, Oboreh, & Abarika, 2023).

**Aggressiveness:** Over the years, this attribute has threatened a lot of organizations. Aggression also causes a lot of turnover in both public and private businesses, especially when it is not controlled by the leaders of the organization and even by the employees themselves. Unplanned and unbudgeted staff turnover is a widely acknowledged, expensive occurrence in many enterprises, according to the Bureau of National Affairs (1999). According to Stewart, (2020), organizational delinquency included counterproductive behaviors like stealing, drug and alcohol misuse, lying, insubordination, vandalism, sabotage, and absenteeism. In other words, they are the progenitors and characteristics of aggressive behavior in the workplace. The authors hypothesized that individuals with this syndrome had a predisposition to duty-driven behaviors, disregard of social norms, and a lack of commitment to others or organizations. These are people who have a tendency to be irritable all the time. However, they should be warned, particularly in the

workplace, to avoid the opportunities and risks that may lead to disagreement and conflict in the workplace. Organizational culture is characterized by a lack of commitment to duty and a decrease in productivity. This has resulted in the destruction of the company's valuable assets. Those who demonstrate aggressive and antisocial behaviours are referred to as "Organizational Neglectors" (Stewart, 2020).

## Empirical Review

Anozie *et al* (2016) conducted an empirical study on the impact of organizational culture on employee performance in Singapore Telecommunications company. The study began with the development of a structured questionnaire, which was based on existing literature, and a pilot test to confirm its accuracy and reliability. The study used various independent variables to measure organizational culture, such as values, symbols, heroes, and rituals, and the dependent variable was employee's performance. The survey method was adopted, and 25 questions were asked, with a scale of 1 for disagreement and 5 for agreement. A sample of 150 employees was selected, of which 60 were senior staff and 40 were junior staff. A descriptive data analysis was employed for the purpose of the research, using the SPSS version 20. Findings revealed that organizational culture, such as ritual values and heroes, has a considerable and influential effect on employee performance. Additionally, an empirical study was conducted on the influence of organizational culture on employees' performance, by Alharbi *et al* (2013). The objective of their study was to identify and assess the existence of strong relationship between performance and organizational culture. The outcome of the study revealed that the values and standards of an organization are based on employee relationships. Denison (1984) conducted a study on the cultural performance or basis of characteristics that contribute to the improvement of practice overtime in 34 American companies. It was found that there was a relationship between these characteristics based on a perfect association. Additionally, Agu (2020) examined the correlation between organizational culture and employee performance at selected higher institutions in the state of Edo, Nigeria. The study revealed that power distance had a significant positive impact on employee's performance in higher institutions within the state. The conclusion of the study was that organizational culture had a positive impact on employee performance.

## Methods

A descriptive survey design was employed for the study, as field information was obtained to test hypotheses. Data were collected using primary and secondary sources. Primary sources included a questionnaire instrument, while secondary sources included literature, journals, and published textbooks and articles. The study population consisted of 51 individuals, of which 45 were sampled using Taro Yamane's formula. The questionnaire was administered on 45 respondents, and the response rate was positive. Out of the 45 copies administered, 40 copies were returned (89%). The data collected were then analyzed using both descriptive and inferential statistical techniques. The Pearson Product Moment Correlation Coefficient ( $r$ ) with the aid of Statistical Package for Social Science (SPSS) version 23 was used for data analysis.

## Result of the findings

### People Orientation and Employee Performance

**Table 1. The effect of people Orientation on employee performance in service industry**

S/N	ITEM	SA	A	U	D	SD
1.	People orientation discourage employee turnovers	14( 31.1 )	10( 22.2)	5( 11.1 )	6( 13.3 )	10(22.2)
2.	Attitude towards work is influenced positively through the exercise	15 (33.3 )	8 ( 21.1 )	1 ( 2.2)	12(26.7)	10( 22.2 )
3.	This is lacking in many service industries like banks	12(26.7)	14 (31.1 )	2 ( 4.4 )	6(13.3 )	11 (24.4 )
4.	Proper people orientation exercise, avert future danger in service industries	20(44.4 )	17(35.6 )	7(17.8 )	1 (2.2 )	0 ( 0 )

Source: Field Survey 2023

The result in table 1, revealed that the respondents (53%) agreed that People orientation discourage employee turnovers as 16 (35%) of respondents disagreed and 5(11%) respondent are undecided. In item 2, Most of the respondents 23(54%) agreed while 48% disagree that Attitude towards work is influenced positively through the exercise and only 2% are not sure. Similarly, 26 (58%) agreed that people orientation is lacking in many service industries like banks but 17(37.7%) of the respondent disagreed while 2(4.4%) was not sure. In the issues of proper orientation exercise 37 (79.8%) agreed while only 1 (2.2) respondent disagree with 7(17.8%) respondents remain undecided. The result generally agreed that people Orientation affects employee's performance in service industries. The result affirms the study of Anozie and Ishmael (2016).

**Table 2. Effect of Team Orientation on employee's performance in service industry**

S/N	Item	SA	A	U	D	SD
1.	Team orientation Lack of team orientation discourages workers	5(11.5)	14(31.1)	10(22.2)	6 (13.3 )	10 (22.2 )
2.	New ideas is enhanced through team orientation	21(46.7 )	17(37.8 )	2 (4.4 )	0 ( 0 )	5 (11.1 )
3.	It encourages collaborative effort among workers	12(26.7)	13( 28.9 )	11( 24.4 )	9( 20.0)	0 ( 0 )
4.	Performance and productivity is enhanced through team orientation	7( 15.6 )	13(28.9 )	9(20.0 )	11(35.6)	0 ( 0 )

Source: Field Survey 2023

The result in table 2 revealed that the respondents 27(42.6%) agreed that Lack of team orientation discourages workers and 16 (35%) of respondents disagreed and 10(22.2%) respondent are undecided. In item 2, Most of the respondents 38(84%) agreed that new ideas is enhanced through team orientation' while 5 (11.1%) and 2(4.4%) are undecided. Similarly 27(55.6%) agreed that team orientation encourages collaborative effort among workers, 9 (20%) respondents disagree and 11(24.4) where undecided. Also 20 (44.4%) respondents agreed that performance and productivity is enhanced through team orientation in service industries like banks but 9(20%) of the respondent disagreed while 2(4.4%) was not sure. In the issues of proper orientation exercise 37 (79.8%)

agreed while only 11 (35) respondent disagree and 9 (20%) respondents remain undecided. The result generally agreed that Team Orientation affects employees’ performance in service industries.

**Table 3. People Aggressiveness and Employee Performance**

S/N	ITEM	SA	A	U	D	SD
1	Aggressiveness negatively influenced performance	14(28.9)	13(31.1)	8(17.8)	6(13.3)	4(8.9)
2	Aggression encourages employee turnover	13(28.9)	12(26.7)	(0)	20 (42.2 )	(0)
3	Socio-cultural environment is associated with managers aggressiveness	14(32.6)	10(23.3)	8 (18.6)	8( 18.6)	5 (7.0)
4	Aggression negatively influences goal achievement	8 (17.8)	10(22.2)	8 (17.8)	13(28.9)	6 (13.3)

Source: Field Survey 2023

The result in table 3 revealed that the respondents 27 (60%) agreed that Aggressiveness negatively influenced performance as 10 (22.2%) of respondents disagreed and 8(17.8%) respondent are undecided. In item 2, Most of the respondents 25(55.6%) agreed while 20 (44.4) disagree that Aggression encourages employee turnover. Similarly 25 (53.9%) agreed that Socio-cultural environment is associated with managers aggressiveness in service industries like banks but 9(20.0%) of the respondent disagreed while 11(24.4%) was not sure. Also in the issues of how aggression positively influences goal achievement, 20 (44.4%) agreed while only 11 (35.6%) respondent disagreed. The result generally agreed that aggressiveness affects employees’ performance in service industries. The result affirms the study of Agu (2020) who examined the effect of organization culture on employee job satisfaction and Stewart (2020).

**Regression Analysis and Test of Hypotheses**

Linear regression was used to test the hypothesis that organizational culture had an impact on employee performance. The linear regression was used to confirm the hypothesis, with organizational performance being the dependent variable and organizational culture components (people orientation, team orientation and aggression) being the independent variables. The results are presented below.

**Table 4: Regression Analysis Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.884	.868	.866	1.014

Source: Compiled by Researcher, 2023

#### ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1277.032	3	425.677	413.889	.000 <sup>b</sup>
	Residual	42.168	41	1.028		
	Total	1319.200	44			

a. Dependent Variable: Org. Performance

b. Predictors: (Constant), Aggressiveness, Team Orientation, People Orientation

Source: Compiled by Researcher, 2023

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.571	.666		-.857	.396
	People Orientation	.247	.157	.250	1.575	.123
	Team Orientation	.328	.185	.270	1.773	.044
	Aggressiveness	.486	.165	.470	2.948	.005

a. Dependent Variable: Org. Performance

$R^2 = 0.868$  F-stat 413.88 P-value 0.000 (5% level of Significance)

Source: Compiled by Researcher, 2023

Table 4 demonstrates that  $R^2$ , a measure of the magnitude of the effect of an independent variable on a dependent variable, has a value of 0.68. This results in 86% of the variability in employee performance being attributed to variations in the degree of people orientation, team orientation and team aggression. This is corroborated by an adjusted  $R^2$  of .866. Furthermore, a p-value of  $.000 < 0.05$  and an F-Stat of 413.8 indicate that the dependent variable has been sufficiently fitted to support the dependent variable (i.e. Employee Performance). The three variables of organizational culture (people orientation, team orientation and aggression) are highly predictive of employee performance. The correlation of the variables is positive and statistically significant ( $p < 0.05$ ,  $p < 0.005 > 0.05$ ) and is expected for People Orientation ( $p < 0.123 > 0.05$ ). This suggests that employee performance is more likely to be enhanced by team work and aggression than by individual effort, as suggested by the research conducted by Stewart, (2020) and Ekenyong & Ekenyong, (2016).

**Test of Hypotheses**

**Table 5: Coefficient of Estimated Parameters Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.571	.666		-.857	.396
People Orientation	.247	.157	.250	1.575	.123
Team Orientation	.328	.185	.270	1.773	.044
Aggressiveness	.486	.165	.470	2.948	.005

a. Dependent Variable: Org. Performance

Source: Compiled by Researcher, 2023

**Hypothesis One:**

In order to validate this hypothesis, a t-statistical and a probability value are used in table 5. The t-statistics for People Orientation is 1.575 and the probability value is 0.123, which is statistically insignificant due to the 95% confidence interval ( $P 0.123 > 0.05$ ). Consequently, the null hypothesis is accepted and the alternative hypothesis that there is no meaningful correlation between people orientation and employees performance in the service industry in Nigeria is rejected.

**Hypothesis Two:**

In order to test this hypothesis, we use the t-Statistics and Probability Value in table 5. The t-Statistics for Team Orientation is 1.773, and the Probability Value is 0.044, both of which are statistically significant. Consequently, the null hypothesis is rejected and the alternative hypothesis is accepted, which is that there is an appreciable relationship between Team Orientation and Employee Performance in the service industry.

**Hypothesis Three:**

To test this hypothesis, we use t-statistical and probability values as presented in table 5. Aggression has a T-statistics with a t-value of t.948. The probability value of t.005 is statistically significant at  $p0.005 < 0.05$ . Therefore, the null hypothesis is rejected and the alternative hypothesis that there is an appreciable relationship between aggression and employee performance is supported in the service industry.

**Discussion of Findings**

This study examined the impact of organizational culture and employee performance on service industry performance in Nigeria. Five hotels in Delta State were examined, and the hypotheses formulated were tested through multiple regression analysis. The results of the analysis were as follows: People Orientation did not have a significant impact on employee performance in Delta State hotels. This finding is in line with the findings of Brooks (2006), Sowel (1993), and Fajana (2002), which suggest that people orientation is generally not perceived to have a major impact on employee performance. The study also found that team orientation had a big impact on how well employees performed in Delta State's service industry. This is in line with what was found in Agu



(2020). The team orientation that employees created in the organization, which led them to believe in things that promised certainty and to stick to rules that protected conformity, had an impact on how well they performed. This is different from what Inghart (2002) and Schein (1990), who found that people with low levels of uncertainty avoidance were less worried about safety, less reliant on written rules, and were more willing to accept team behaviours. The results of this study demonstrate that the level of aggressiveness of employees in Delta State's hotel services industry has a considerable impact on their performance. This is in line with the findings of Agu (2020), which examines the impact of organizational culture on the performance of employees in select higher institutions in the state of Edo, Nigeria. The findings of Agu (2020) concur with the findings of Stewart (2020). Collectivists prioritize the welfare of employees, the return of favors, the feeling of belonging, and the respect of tradition in order to foster organizational performance.

## Conclusion

This study has examined the organizational culture and employee performance from an empirical analysis point of view in Delta State's service industries. The findings of the study reveal that as far as the employees are concerned, the culture, or way of life of the company is essential to its success since it acts as a foundation for how its personnel should function. Therefore, the study concludes that organizational culture had a significant positive impact on employee performance in Delta State's service industries.

## Recommendations

Based on the findings of the study, the following recommendations are suggested.

- a. Organizations must help to generate a culture supportive of team work with emphasis on enhanced communication in order to influence attitudes, opinions and beliefs and reduces attitude of self centeredness. Since people orientation was found to have no positive relationship with employee performance
- b. Management should pay attention to team orientation, group efforts. Management must pay particular attention to autonomy, formalization, workload, recognition and financial rewards for performing teams. Since team orientation has positive and significant relationship with employee performance.
- c. Management of service industries like hotels should pay attention to team and individual aggressiveness since aggressiveness has a positive strong relationship with employees' performance in service industries.

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