

## IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEE'S PERFORMANCE AND JOB SATISFACTION IN HOTEL INDUSTRY

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### ABSTRACT

**Background:** Organisations in hotel industry rely on their workforce for optimum productivity. People contribute their own special set of values and behaviours to their organization. Establishment with positive organizational culture has become important, for maintaining a good position in market also it gives satisfaction of its employees so that organisation achieves its objectives efficiently. **Objectives:** To explore the impact of organizational culture on employee's performance and job satisfaction in hotel industry and to determine the relationship between them. **Methodology:** Descriptive research design was adopted. The research was conducted on employees (n=100) working in a 5- star hotel in Delhi, NCR. A questionnaire was developed consisting of 17 statements pertaining to organizational culture, job satisfaction and employee performance; Correlation was studied by Karl Pearson's coefficient of correlation **Results:** Organizational culture was seen to have positive impact on both, job satisfaction and employee performance ( $r=0.91$  and  $0.85$ ) respectively. Job satisfaction and employee performance were also found to be positively correlated ( $0.87$ ). **Conclusion:** Organizational culture is found to be an important element which highly influences job satisfaction and performance of employees working in hotel industry.

**Key Words:** Organizational Culture, Job Satisfaction, Employee Performance, Hotel Industry.

### INTRODUCTION

An organisation is a common setting where people from various backgrounds can come together and collaborate to accomplish specific needs, goals and targets. An organisation is made up of people who have varying specialization, educational backgrounds, and professional experiences, are working towards a shared objective. The individuals are referred to as employees. Employees are the key component to an organisation's success, which forms one of the most valuable assets.

Culture refers to the attitude, moral characteristics, and behavioural patterns that direct how a person interacts with others. Organizations can develop their own identity by adhering to a set of beliefs, principles, directives, and rules.

The values and guiding ideas of a specific organisation are referred to as its Organisational Culture. Ravasi and Schultz (2006) mention organizational culture as a set of shared assumptions that guide with what happens in organizations by defining appropriate behaviour for various situations.

Organizational culture is the way individuals behave within a company and the significance that is given to such behaviours. Vision, values, conventions, systems, symbols, language, presumptions, beliefs, and habits make up an organization's culture. As said by Deal and Kennedy (2000) organizational culture is "the way things are done around here".

Job satisfaction is a pleasurable or positive emotional state

which results from appraisal of one's job or job experiences (Locke, 1976). Job Satisfaction is evaluation of individual's assessment level that how working environment fulfil their needs (Dawis & Lofquits, 1984). Satisfaction with job can be seen if an employee shows positive attitude towards work. (Sekaran, 1989).

Job satisfaction is the degree to which employees are comfortable or happy with their jobs and work environment. Employee performance may be influenced by a variety of workplace elements, including management, expertise, and general job satisfaction. Some of the factors which affect job satisfaction of an employees in an Organisation are: Career growth, Job security, Respect and Recognition, Compensation and benefits, Working culture, work life balance, degree of autonomy, etc.

Performance is the degree of an achievement to which an employee's fulfil the organizational mission (Cascio, 2006). The job of an employee is made up by degree of achievement of a particular mission or target that defines boundaries of performance.

With employee satisfaction the productivity increases by 12%, while if employee is dissatisfied it decreases the productivity by 10%. The workplace layout, how one interact with its staff, and how one set up its benefit plans will all be strongly influenced by your corporate culture. These have an impact on one's employees' performance as well as satisfaction, which in turn affects their engagement and productivity.

Reidhead (2020) examined impact of organizational culture on employee satisfaction in Hotel Hilton, United Kingdom it was found that that organisational culture has a significant impact on how satisfied employees are. When an organisation's management places a strong emphasis on creating a supportive organisational culture, it aids in increasing satisfaction among employees. An organisation's contented workers give it a competitive edge. This shows that company's culture and values have a significant influence on everyone connected to organisation.

Daniel (2019) identified employee job satisfaction has been shown to be significantly impacted by organisational culture. Components of culture and culture type have a significant impact on employees' job satisfaction. A strong correlation

between organizational culture and job satisfaction was found in the work. The recommendations are that organizational policies surrounding culture should be transparent to allow for employee understanding. Sempane et al. (2002) found that a positive correlation existed between job satisfaction and organisational culture of employees within a service organisation ( $r = 0,743$ ). Thus, research's findings were consistent with Hypothesis, which proposed a relation between job satisfaction and organisational culture.

Paschal and Nizam (2016) did a study on effects of organisational culture on employee performance. This study identified how organisational culture affected employee performance in Singapore Telecommunication; in this case, organisational performance was heavily influenced by organisational culture. The goal of the study was to assess and determine how organisational culture influences performance of employee. According to the findings of this research, factors of organisational culture that had significant effect on employee performance are, such as ritual, value, and heroes whereas symbols had little or no impact.

In a study done by Awadh and Saad (2013) on the impact of organizational culture on employee performance, the main aim was to identify and measure strong relationship between performance and organizational culture. Research indicated that values and norms of an organisation were established on the relationships between employees, and some characteristics of culture. Having a strong organisational culture allows for the successful and efficient management of employees in the workforce.

Ojo (2009) did a study on employees from Nigerian Banking industry. The researcher attempted to examine effect of corporate culture on employee job performance using evidence from the Nigerian banking industry. According to the findings of this research, corporate culture is very important in every organisation and has a positive effect on employee job performance.

In a study done by Bello et al. (2021) on 20 LGAs of Lagos State 63 hotels on 330 employees for examining job satisfaction and employees' performance, it has been found that there is a positive and significant relationship. In this research, performance of hotel sector employees in Lagos State was compared to their job satisfaction. According to research, statistically significant correlation between work

stress, opportunities for promotion, and supervisor support and employees' performance was seen. Additionally, there was no correlation between payment system, work atmosphere, and productivity of workforce.

In a study done by Alromaihi et al. (2017) on job Satisfaction and employee performance, research shows dual direction of relationship, which is composed of a cycle cause and effect relationship in which satisfaction leads to performance and performance leads to satisfaction via a number of mediating factors. Primary objective of this research was to determine factors that influence job satisfaction and determinants of employee performance, as well as to examine relationship between them.

Thus with all the relevant literature it was seen that Employee performance has a significant impact on job satisfaction, and job satisfaction has a significant influence on employee performance. As organizational culture is being stated to play a key role in employee performance the present work targeted to dwell an understanding of its role.

The objectives of the study were:

- To determine the impact of organizational culture on job satisfaction.
- To determine the impact of organizational culture on employee performance.
- To determine the relationship between job satisfaction and employee performance.

## METHODOLOGY

**Research Design:** Descriptive Research was adopted to determine the impact of organizational culture on various parameters.

**Locale:** The study was conducted in 5 star hotels of Delhi-NCR (Noida), India.

**Sampling Design:** Non- Probability sampling through purposive sampling was done. A total of 100 employees of a 5 Star Hotel were included in the study. Age of the sample ranged from 21 years and above comprising of 67 male and 33 female.

**Tools and Technique:** A structured questionnaire was prepared to gain an insight related to objectives of the study.

The questionnaire had a mix of multiple-choice questions and 5-point Likert Scale. The questionnaire was divided into 4 segments- Socio demographic details, Organizational Culture Constructs, Job Satisfaction Constructs and Employee Performance Constructs. The questionnaire consisted of 5 statements each of three variables, so a total of 15 statements and 2 general questions. For the data collection prior consent and appointment was taken from the authorities and subjects.

**Data Analysis and Statistical Analysis:** Data Analysis was done on the basis of age, gender, work experience and on the basis of variables – Organizational Culture, Job Satisfaction and Employee's Performance. Descriptive statistics namely Frequency, Percentage, Mean, Standard Deviation and Karl Pearson's Coefficient of Correlation were done for analysis and interpretation of data collected. Microsoft Excel was used as a tool for Statistical Analysis.

## RESULTS AND DISCUSSION

**Socio-demographic detail:** Majority (48%) of the subjects were in the age group of 21-35 years followed by 33% who were in age range of 35-45 years. Majority (67%) were male and rest 33% were female. With regard to work experience majority (54%) were with experience ranging till 5 years followed by 5- 10 years (31%).

**Table 1: Socio demographic profile of subjects**

General Information		N= 100 Percentage
Age (years)	21-35	48
	35-45	33
	45-55	15
	Above 55	4
Gender	Male	67
	Female	33
	Prefer not to say	0
Work Experience	0-5 years	54
	5-10 years	31
	More than 10 years	15

**Organizational culture constructs:** On the basis of Likert Scale majority (43%) of subjects agreed that management believes employees to be important assets of firm, followed

by (27%) of employees who strongly agreed with the statement. The mean of the statement was  $3.87 \pm 0.94$ . For transparency of management with the employees Majority (43%) of subjects agreed followed by (30%) of employees who strongly agreed with mean value  $3.91 \pm 0.97$ . Majority (41%) of subjects agreed that the organization has a professional code of conduct that employees are expected to follow, followed by (36%) of employees who strongly agreed with statement with mean value of  $3.91 \pm 1.13$ . Equal percentage (38%) of subjects strongly agreed and agreed that management encourages creativity, innovation and continuous improvement among employees ( $3.91 \pm 1.18$ ). Majority (51%) of subjects strongly agreed that organization's culture prioritizes integrity, teamwork and collaboration, followed by (28%) of employees who agreed with statement ( $4.05 \pm 1.26$ ).

As indicated in table 8, a significant positive correlation was found between the two variables ( $r = 0.9$ ). These results also correlate with the study conducted by Sempane et al. (2002) to establish whether a relationship existed between the variables job satisfaction and organisational culture of employees within a service organisation and found that between the two variables, there was a substantial positive correlation ( $r = 0.74$ ).

**Table 2: Organizational culture constructs: mean and standard deviation**

Statement	Mean	Standard Deviation
Management believes that employees are most important assets of firm	3.87	0.94
Management is transparent with its employees	3.91	0.97
Organization has a professional code of conduct that employees are expected to follow	3.91	1.13
Management encourages creativity, innovation, and continuous improvement among employees	3.91	1.18
Organization's culture prioritizes integrity, teamwork and collaboration	4.05	1.26
Overall organizational culture score	19.65	5.048

**Table 3: Organizational culture constructs (percentage)**

Statement	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Management believes that employees are most important assets of firm	2	6	22	43	27
Management is transparent with its employees	1	10	16	43	30
Organization has a professional code of conduct that employees are expected to follow	2	18	3	41	36
Management fosters creativity, innovation, and continuous improvement among employees	4	15	5	38	38
Organization's culture prioritizes integrity, teamwork and collaboration	6	13	2	28	51

**Job satisfaction constructs:** Majority (40%) of subjects agreed that organization provides job security to its employees, followed by (39%) of employees who strongly agree with statement ( $3.99 \pm 1.14$ ). Majority (39%) of employees agreed that their organization maintains benefits that compare well to other companies, followed by (35%) of employees who strongly agreed with statement ( $3.85 \pm 1.21$ ). Majority (42%) of subjects strongly agreed that organization provides opportunities for promotion and career development to its employees, followed by (33%) of employees who agreed with statement ( $3.94 \pm 1.21$ ). Majority (49%) of subjects strongly agreed that management provides recognition to its employees for their accomplishments, followed by (25%) of employees who agree with statement ( $4.03 \pm 1.18$ ). Majority (43%) of subjects strongly agreed that their job utilizes their skills and abilities as much as it could, followed by (29%) of employees who agreed with the statement ( $4.05 \pm 1.04$ ).

As indicated in table 8, a positive correlation was found between these two variables ( $r = 0.85$ ). According to findings, it was seen that corporate culture is very important in every organisation and had a positive effect on employee job performance (Ojo, 2009).

**Table 4: Job satisfaction constructs: mean and standard deviation**

Statement	Mean	Standard Deviation
Organisation gives job security to its employees	3.99	1.14
Organisation maintains benefits that compare well to other companies	3.85	1.21
Organisation offers adequate opportunities for promotions and career development	3.94	1.21
Management recognizes the accomplishment of its employees	4.03	1.18
Your job utilizes your abilities and skills as much as it could	4.05	1.04
Overall job satisfaction score	19.86	5.20

**Table 5: Job satisfaction constructs (percentage)**

Statement	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Organisation gives job security to its employees	6	7	8	40	39
Organisation maintains benefits that compare well to other companies	8	8	10	39	35
Organisation offers adequate opportunities for promotions and career development	5	13	7	33	42
Management recognizes the accomplishment of its employees	2	16	8	25	49
Your job utilizes your skills and abilities as much as it could	4	2	22	29	43

**Employee performance constructs:** With respect to whether the employee is able to complete his or her tasks on time, majority (51%) of subjects agreed that they were able to complete their tasks on time, followed by (35%) of subjects who strongly agreed with statement with a mean value of ( $4.19 \pm 0.73$ ). Majority (44%) of subjects agreed that they were able to adapt to new circumstances or situations rapidly, followed by (35%) of employees who strongly agreed with the same ( $4.07 \pm 0.89$ ). Majority (47%) of employees strongly agreed that they support their colleagues when needed, followed by (33%) of employees who agreed with statement ( $4.24 \pm 0.85$ ). Regarding Employee performs well in high pressure situations majority (41%) of subjects strongly agreed that they perform well in high pressure situations, followed by (29%) of employees who agreed with it ( $3.94 \pm 1.13$ ), Majority (55%) of subjects strongly agreed that they are open to receive feedback, followed by (21%) of employees who agreed with statement ( $4.11 \pm 1.20$ ).

The analysis of values depicted a significant positive relationship between job satisfaction and employee performance ( $r = 0.87$ ). In a study done on job satisfaction and employee performance, it showed the dual direction of the relationship, which is composed of a cycle cause and effect relationship in which satisfaction leads to performance and vice versa via a number of mediating factors (Alromaihi et al., 2017).

**Table 6: Employee performance constructs: mean and standard deviation**

Statements	Mean	Standard Deviation
I am able to complete my tasks on time	4.19	0.73
I can adapt to new circumstances or situations rapidly	4.07	0.89
I support my colleagues when needed	4.24	0.85
I perform well in high pressure situations	3.94	1.13
I am open to receiving feedback	4.11	1.20
Overall employee performance score	20.55	4.23



**Table 7: Employee performance constructs (percentage)**

Statement	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I am able to complete my tasks on time	1	0	13	51	35
I can adapt to new circumstances or situations rapidly	1	5	15	44	35
I support my colleagues when needed	1	1	18	33	47
I perform well in high pressure situations	3	11	16	29	41
I am open to receiving feedback	3	14	7	21	55

**Table 8: Correlation between organizational culture, job satisfaction and employee performance**

S. No.	Variables	Correlation (r)
1	Organizational Culture & Job Satisfaction	0.91
2	Organizational Culture & Employee Performance	0.85
3	Job Satisfaction & Employee Performance	0.87

## CONCLUSION

Based on findings of the study, it has been observed that organizational culture has positive impact on job satisfaction and employee performance in hotel industry. Hence, here are some suggestions: The management should continue to prioritize and promote positive organizational culture in workplace, with focus on teamwork, collaboration, transparency, and employee recognition. The management should provide regular training and development programs to employees to enhance their skills and abilities, which will result in improved job satisfaction and performance. The management should continue to provide opportunities for career development and growth, which will help to retain employees and improve overall performance. Managers must pay attention on providing employees with satisfying rewards and benefits as compared to other companies so as to improve job satisfaction. The management should monitor

and regularly evaluate employee satisfaction, performance, and organizational culture, to identify areas of improvement and take necessary actions to address any issues. Foster a culture of open communication and collaboration by encouraging employees to share their ideas, opinions, and feedback. This will help to create a sense of community and belonging among employees, as well as enhance employee engagement and performance. This study paves a way for future researchers and it is suggested that scope of research can be broadened by conducting a comparative study on 2 or more 5-star hotels of same region or including 5- star hotels across different cities.

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