

The Relationships among Corporate Culture and Employee Performance

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Abstract: Related studies about the mechanism and its impact on the organizational culture are not clear. Based on the literature research, this study established a theoretical model in the impact on the employees' performance and organizational culture. The authors take 421 effective samples in Chinese situation as the research object and use statistical analysis software SPSS and SEM and take empirical methods such as the reliability analysis, reliability analysis, confirmatory factor analysis and path analysis. Results show that clan culture, adhocracy culture and market culture have significant positive influence on employees' job satisfaction, organizational citizenship behavior, has significant negative impact on employee's workplace deviation behavior. Hierarchical culture has negative influence on employees' job satisfaction, organizational citizenship behavior, has positive influence on employee's workplace deviation behavior. The results have positive significance for the construction of organizational culture and effective management of employees' performance.

1. Introduction

Although academia has studied lots of theme about employee performance, but the tangible impact of organizational culture and the faction system of employee performance remain to be discussed. In Chinese organization circumstance, the literature study about relationship of organization culture and employee performance is very scarce. Therefore, this paper focus on the actual influence of organizational culture on employee performance as well as analyze its effect of employee performance in the process.

2. Theoretical Analysis and Research Hypothesis

Organ [1]points out, Organization citizenship behavior mean conscious and spontaneous behavior of employee in the organization, which is not asked by the employee role within the job requirement and doesn't gain paid from organize regular compensation system, however which can improve overall operating efficiency of enterprises. Farrell et al [2] defined deviant behavior as self-interest behavior out employees' role, these behaviors try to influence the distribution of the interests of the gain and loss within the organization or actually they already did. For instant, spreading rumors, stealing raw materials and so on. Cameron and Quinn [3] distinguished organizational culture by using the criterion of interior and exterior, control and flexibility, refer to adhocracy culture, clan culture, hierarchy culture and market culture. Harmonious relationship among organizational members, a tacit cooperation, helping each other, focusing on cultivating harmonious and mutual interpersonal relationship, strong organizational cohesion are clan cultures' characteristics. Organizational culture can build friendly, family work atmosphere and care about evolution and development of employees, which is attractive for some employees who seeks for employment ability, personal value and career development. In this way, employees' psychological satisfaction and altruistic behavior will increase accordingly, however, easy to reduce the deviation behaviors. Therefore, putting forward:

H1: Clan culture has positive effect on job satisfaction and organizational citizenship behavior, and negative effect on deviation behavior.

Adhocracy culture focuses on showing employees' creativity and developing employees'

potential creative power. it has less administrative levels and flat organizational structure, the organization members have more authorization, organization information are fully shared, and don't emphasize the stability of the organization and tight supervision of the organization .Adhocracy culture provide employees with chances of diversified participation and implementing decisions, employees of self-worth will also get embodied mostly. Open culture can't be conservative and stick in the mud, but pay positive attention to the external environment, emphasize flexibility and reform of team and organization [4]. All these traits will motivate employees be loyal to their duties and ready to help others, and psychological satisfaction will be improved. Therefore, putting forward:

H2: Adhocracy culture has positive effect on job satisfaction and organizational citizenship behavior, and negative effect on deviation behavior.

Characteristic of market culture highly emphasize serving customers, demand of outer maker customers always guide internal production and operation of the organization. Its typical characteristics is customer-oriented and task-oriented. Market culture is customer demand-driven, clear organizational objective, emphasizing on competition in the market, which is result- oriented culture. As Ogbonna [5] and others' studies shown, marker-oriented and external competition-oriented organizational culture are markedly corrected to employee performance, supportive and participative leadership style through open and competitive culture have indirect positive impact on employee performance. Therefore, putting forward:

H3: Market culture has positive effect on job satisfaction and organizational citizenship behavior, and negative effect on deviation behavior.

Hierarchy culture pay attention to rigor and controllability of organization, rigid Organization rank system, clearly distinguishing hierarchy, emphasizing authority and status of manager, explicit role of superior and subordinate, managing by traditional orders and concentrating state right. Hierarchy culture highlight organizational levels and rules, emphasize controllability and stability of organization, which is a kind of relatively conservative, rigorous and high-controlled culture. The hierarchical culture has a high degree of control over employees, and employees have a low degree of freedom. As a result, employees will be less motivated to work. Therefore, putting forward:

H4: Hierarchy culture has negative effect on job satisfaction and organizational citizenship behavior, and positive effect on deviation behavior.

3. Study Designs

3.1 Scale selection and questionnaire

Using six point Likert scales as the questionnaire, 6=strongly agree and 1=strongly disagree, which consists of five parts. The first part, collecting information about organizational cultures of being examined company, adopting Cameron& Quinn's scale (1999), which totally includes 24 items. The second part, collecting information about job satisfaction, adopting Minnesota short form scale about job satisfaction [6], includes 20 items. The third part, collecting information about OCB, adopting some parts scale of Farh [7], totally includes 13 items. The forth part, collecting information about deviant behavior, adopting Zhang Yan's scale [8], totally includes 15 items. The last part, collecting information about control variable, for example, gender, age group, serving age, job grade and so on.

3.2 Study objective

Issued 328 questionnaires in MBA class and EMBA class of one 985 university, issued 138 questionnaires in training class of internal company, Altogether 466 questionnaires have been distributed and 45 invalid questionnaires excluded. Finally, 421 valid questionnaires have been collected. The rate of valid questionnaires collected is 90.34%. Demographic profile of effective samples is shown in Table 1.

As the table.1 shown, similar percentages of male and female in valid questionnaires, in the majority with 26 to 35 years old staffs, the vast majority possess college and above educational

level, industry mainly concentrated in the manufacturing industry and service industry, the most of state-owned private enterprises, the main participants are primary and middle managers.

Table 1 Sample characteristics

Item		Frequency (%)	Item		Frequency (%)	Item		Frequency (%)
Gender	Male	51.9	Education	High school and under high school	15.9	Enterprise nature	State-owned	42.9%
	Female	48.1		College	60.8		Private	30.2%
Age	Under 25 years	7.3		Graduate	23.3	Position	Foreign-funded	14.1%
	26~35year	55.6	Industry	Service	28.5		Other	12.8%
	36~45year	22.5		Manufacturing	46.9		General staff	11.4%
	46~55year	9.9	Tech industry	11.9	Primary manager	38.3%		
	Above 45 year	4.7	Other	12.7	Middle manager	33.8%		

4. Hypothesis Testing

4.1 Reliability analysis and correlation analysis

We adopt Cronbach's α coefficient to test scale reliability through SPSS 17.0. Cronbach's α coefficients of subscales is shown in Table 2. The correlation of the variable mean, variable standard deviation and variable is calculated, specific data is also shown in Table 2.

Table 2 The correlation coefficient and reliability coefficient

Variable Name	Mean	S.D.	1	2	3	4	5	6	7
Clan culture	3.7352	.9234	(.815)						
Adhocracy culture	3.6634	.8230	.457**	(.738)					
Market culture	3.9835	.8527	.071	.409**	(.737)				
Hierarchy culture	4.0432	.6917	.261**	.200**	.322**	(.703)			
Job satisfaction	4.1819	.6683	.491**	.324**	.136**	.278**	(.897)		
OCB	4.0494	.7755	.360**	.209**	.142**	.274**	.558**	(.897)	
Deviant behavior	2.4410	.8046	-.273**	-.132**	.042	-.108**	-.295**	-.465**	(.926)

Note: *p<0.05, **p<0.01, reliability coefficient's α in bracket of the diagonal

Generally speaking, $\alpha > 0.070$, indicating the internal consistency very high. From the Tab.2, in this study all the Cronbach's α coefficient between 0.738 and 0.926, which show scales we adopted have good construct reliability. What's more, clan culture, adhocracy culture and market culture has a significantly positive impact on job satisfaction, OCB, but a negative impact on deviant behavior, this laid the foundation for subsequent analysis.

4.2 Confirmatory factor analysis

According to Qiu Hao-zheng and Lin Bi-fang's view [9], adopting following index to test model fitting: χ^2/df , RMSEA, AGFI, NNFI, CFI, SRMR, their respective scope and judgment standard is shown in Table 3.

Table 3 The range and the judgment standard of fitting index

Index	Range	Judgment standard
χ^2/df	<0	<5, indicating the model fit well, <3, indicating the model fit very well.
AGFI	0-1	AGFI is bigger is better, >0.9, indicating the model fit very well.
RMSEA	0-1	<0.1, indicating the model can be accepted, RMSEA is smaller is better.
NNFI, CFI	0-1	The closer values of NNFI and CFI are to 1, the better model fit., general standard is bigger than 0.9.
SRMR	0-1	<0.05, indicating the model can be accepted, the smaller the value of SRMR, the better model fit

Inputting all topics' scores of five subscales into LISREL8.70, and then implementing confirmatory factor analysis, data results are shown in the table 4.

Table 4 Confirmatory factor analysis results of different scale

	χ^2/df	AGFI	RMSEA	NNFI	CFI	SRMR
OC	4.302	0.921	0.118	0.892	0.881	0.067
JS	4.263	0.845	0.105	0.904	0.912	0.075
OCB	4.532	0.938	0.112	0.942	0.954	0.066
DB	3.465	0.956	0.089	0.973	0.972	0.050

note: OC refer to Organization culture, JS refer to job satisfaction, OCB refer to organizational citizenship behavior, DB refer to deviant behavior.

As the table 4 shown, the vast majority of fitting index achieved the requirement of the model fitting, several fitting index are also very close to the critical value of judgment standard, which shows multidimensional structure of scale got support from some good data.

4.3 Hypothesis testing

Using SEM and LISREL8.70, statistical software, implementing hypothesis testing, clan culture influence the structure equation model of employee performance path graph is shown in figure 2

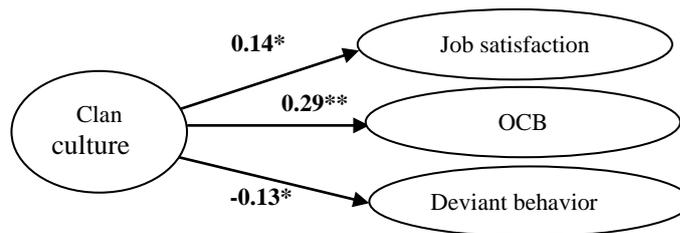


Figure 2 Influence of clan culture on employee performance

The figure.2 show that clan culture has a positive impact on work satisfaction and OCB ($\beta=0.14$, $P<0.05$, $\beta=0.29$, $P<0.01$), has a negative impact on deviant behavior ($\beta= -0.13$, $P<0.05$), Assumption.1 is verified.

Adhocracy culture influence the structure equation model of employee performance path graph is shown in figure 3.

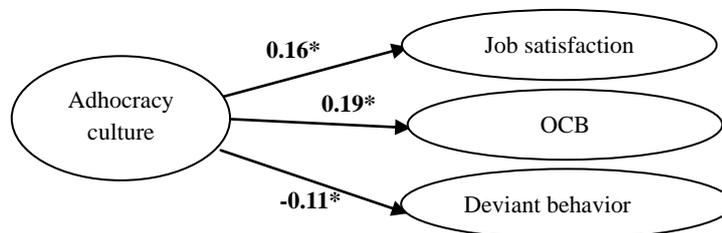


Figure 3 Influence of adhocracy culture on employee performance

The figure.2 show that clan culture has a positive impact on job satisfaction and OCB ($\beta=0.16$, $P<0.05$, $\beta=0.19$, $P<0.05$), has a negative impact on deviant behavior ($\beta= -0.11$, $P<0.05$), Assumption.2 is verified.

Using the same way to test how market culture effect employee performance, its path graph of structure equation model is shown in figure 4

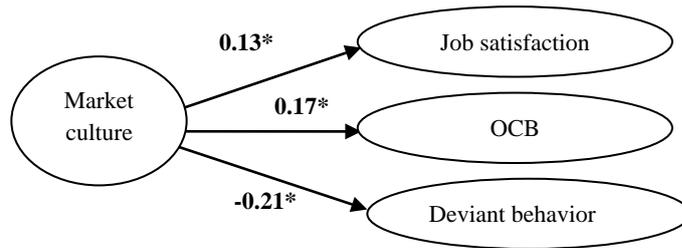


Figure 4 Influence of market culture on employee performance

The data results show that market culture has a significant positive impact on job satisfaction and OCB ($\beta=0.13$, $P<0.05$, $\beta=0.17$, $P<0.05$), has a significant negative impact on deviant behavior ($\beta=-0.21$, $P<0.05$). Assumption 3 are verified.

Using the same way to test how hierarchy culture effect employee performance, its path graph of structure equation model is shown in figure 5

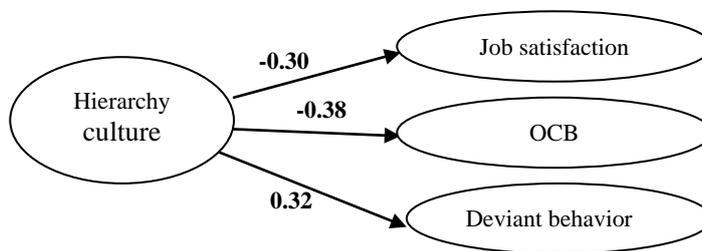


Figure 5 Influence of hierarchy culture on employee performance

The data results show that hierarchy culture has a negative impact on job satisfaction and OCB ($\beta=-0.30$, $\beta=-0.38$), has a positive impact on deviant behavior ($\beta=0.32$). Assumption 4 are verified.

5. Conclusion, Limitations and Prospect

5.1 Conclusion

The purpose of this paper is to investigate the servant leadership's real impact on organizational culture and employees performance, and organizational culture plays a role of mediation in servant leadership on employee performance. This paper counts and analyze 421 questionnaire data of Chinese organization situation by researching literatures and field research, getting the following conclusion: Clan culture, adhocracy culture and market culture have positive impact on job satisfaction, OCB, have negative impact on deviant behavior. The results of the study on construction of organizational culture and the effective management of employee performance has positive significance.

5.2 Limitations and prospect

The paper's deficiency and limitation are still clear, firstly, just choose working attitude and behavior variable of employees to measure employee performance, this paper don't select variable about work results. Later can separately select variable about attitude, behavior and results to measure performance. Secondly, the survey of this paper is convenience sampling and the cross section research, later can take random sampling, longitudinal study way and so to strengthen the relationship of variables.

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