THE IMPACT LEVEL OF ORGANIZATIONAL CULTURE ON EMPLOYEE JOB PERFORMANCE AMONG EMPLOYEES IN HOTEL INDUSTRY IN SOUTHERN PROVINCE, SRI LANKA

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Abstract - This study is aimed at investigating the impact level of organizational culture on employee job performance in hotel industry in Southern Province, Sri Lanka. A total respondent of 136, who employees in hotel industry in Southern Province, Sri Lanka were selected using convenient non-probability random sampling method and self-administered questionnaires. The objectives of this study were to identify the level of organizational cultural dimensions such as reward system, employee participation, customer service orientation and openness of communication, to identify the employee job performance level, to identify the impact of organizational cultural dimensions on employee job performance and to determine the relationship between employee job performance with organizational cultural dimensions. Mean, multiple regression and Pearson correlation were used to get the statistical analysis. According to the findings of this study, it disclosed that there is a significant level of impact on all the organizational cultural dimensions on employee job performance, which indicates that employee participation ($p< 0.01$ and $r = 0.585$) and reward system ($p< 0.01$ and $r = 0.665$) variables have a strong positive influence on employee job performance where openness of communication ($p< 0.01$ and $r = 0.482$) has a moderate positive relationship and customer service orientation ($p< 0.01$ and $r = 0.200$) has a weak positive impact on employee job performance.

Index Terms - Employee Job Performance, Reward System, Employee Participation, Customer Service Orientation and Openness of Communication.

I. INTRODUCTION

Deliberately, an organization is a correlated social unit that consists of two or more individuals who continuously perform in order to achieve organizational goals [1]. Without an effective organizational culture, it is difficult to achieve organizational goals [2]. Due to the increased competition, globalization, alliance and major work force, there is a need of an organizational culture. This organizational culture influences on employees work attitude and job performance that impacts on their thinking pattern and behavior [3]. Employee job performance is considered to be the backbone of an organization that leads an organization to an effective development [4]. In this study it aims at employee job performance in hotel industry and the organizational cultural factors that affect these performances. The variables that are affecting the job performance are reward system, employee participation, customer service orientation and openness of communication.

II. LITERATURE REVIEW

A. Employee Job Performance

Employee job performance is defined as the ability of the employees to achieve organizational goals with effective and efficient resource usage [5]. Usage of performance can be done in many different ways such as individual performance, organizational performance, employee performance etc. It is a direct and indirect contribution of behavioral set towards organizational goals [6]. The performance concept is the goal that organization aimed to achieve through their employees [7]. There are two main employee performance determinant factors such as individual and environmental. Individual factors are the capabilities of employees and environmental factors are the employ work implementation support circumstances [8].

B. Organizational Culture

Basically, it is a human nature operation and it is vital to build organization with people rather than with techniques [9]. Organizational culture is a psychological process that results in individual organizational behavior and decision making [9]. Moreover, organizational culture is a characteristic set of organizational representation that differentiate from others [10]. It is an unrecognized learning process that may pass automatically from one generation to the other [11]. Organizational culture has a major influence on organizational performance as it is the main segment of organizational development strategy that consists of the concept of motivation, production, planning, marketing and controlling [12].

C. Dimensions of Organizational Culture

There are many dimensions of organizational culture. First one is the employee participation. The classical definition of participation is 'involvement'. There is

an adequate place for the employee involvement in decision making in Maslow's hierarchy of needs [13]. There are three main variables that highlights the link between employee participation in decision making and organizational climate such as: explore ideas between employees, authorize responsibilities to employees and give them opportunities to achieve organizational goals [14]. In modern business world, employee participation became an important part in human resource development [15] that includes four main factors such as information, rewards, power and skills and knowledge [16]. As employee involvement plays an important role in decision making, it is directly affect for the employee performance [17] and reduce employee turnover [18].

Second one is the reward system. It can be considered as a process that develop strategies, systems and policies in order to achieve organizational goals by keeping apposite employees while motivating and increasing their commitment [19]. Reward system is an effective management technique that consists of all psychological, monetary and non-monetary payments. According to the expectancy theory employees willing to be motivated to perform when they discover that there is a link between their performance and the rewards that they receive [20]. The rewards that are given for the behavior tends to increase the relationship between employees and management that results in increase in productivity and customer care. Methods of rewarding such as appreciating and praising tends to enhance employee performance [21]. Employees prefer personalized rewards such as performance appraisal and incorporating promotions than rewards in general [22].

Third one is the openness of communication. Communication is a core instrument that combines different levels of organizational activities in order to gain coordination [23]. Effective and sound communication is a key element to enhance organizational effectiveness and employee job performance [24]. Proper communication let the employees to frequently run internal process and to develop cooperation with the people who are there in both inside and outside the organization [25].

Final dimension is the Customer orientation. It can be referred as a work value, that acquires according to the job perception, employees' behavior and attitude that are directed towards the permanent belief in order to satisfy their customers [26]. The service employees who are customer oriented spend a lot of time and effort to satisfy their customer needs [27]. A favorable, organizationally encouraged, service climate leads to employees' behaviors and attitudes that provide better results with higher values [28]. There can be high service quality, when organizational culture connects with customer service [29].

D. Relationship between Organizational Culture and Employee Performance

Employees personal believes are different from the organization values. Employees in an organization with strong organizational culture has a common way to achieve organizational goals that gives opportunity for the employees to perform well and also to develop [30]. Employee performance directly influence in the operations of the organization. There is a link between employee performance and organizational culture where negative culture influences an employee to be underperform while positive and strong culture may lead an employee for better performance [31]. According to a recent study, it mentioned that there is a positive relationship between employee job performance and organizational culture [32] where they can improve their performance when they have a clear idea about the concept of organizational culture [33].

III. RESEARCH METHODOLOGY

This is a descriptive research study where it identifies the factors that leads to a specific situation which helps in understanding the respondents' characteristic, that provides a decision [34]. This quantitative research is carried out with primary data collection using non-probability sampling method (from different hierarchy levels). In order to collect primary data, self-administrated questionnaires were distributed among the selected employees in hotel industry in Southern Province, Sri Lanka using convenient sampling. It was difficult to count the exact employee population in hotel industry in Southern Province, Sri Lanka. Thus, the potential of sample size was calculated using Raosoft software with a confident level of 90% and margin error of 10%. Researcher had decided to double up the figure (136) as the recommended figure from the given data was 68, which too less for a sample size. So, the potential of the sample size came as 136. In order to do the validity test for the questionnaire, a pilot test was done with 10 respondents. The research questionnaire was validated as the adapted questions were from past researches. As the Cronbach's alpha of all the given variables exceeds 0.7, the questionnaire was considered to be reliable. In order to analyze the data, the Statistical Package for Social Science for Windows (SPSS) was used.

IV. RESEARCH FINDINGS AND DISCUSSION

A. Profile of Respondents

From the findings of 136 respondents, it is disclosed that 77.9% are male while 22.1% are female, indicating that there is a male dominance in hotel industry in Southern Province, Sri Lanka. When

considering the age group, 31.6% are in between the age of 21-30, 49.3% are in between the age of 31-40 and 19.1% are in between the age group of 41-50 age group. According to the results it indicates that majority of them are in the age group of 31-40. When considering the marital status out of 136 respondents 53% are married, 38.2% single and 7.4% are divorced while 1.4% of them are widowed.

When considering the work experience, among 136 respondents, 16.1% have less than 1year experience, 64% of them have working experience between 1-5 years and 19.9% of the employees are loyal the organization as they are working more than 6 years for the organization. When considering the salary, 39% of the respondents get a salary below Rs.10000, 21% of them get a salary in between Rs.10001-20000, 21.1% of the respondents get a salary in between 20001-30000, 11% of them gets a salary in between Rs.30001-40000 and 7.9% of then gets a salary above 40000. When considering the educational background, among 136 respondents, 64% of them having a bachelor's degree, 31.6% of them having master's degree and 4.4% them have a diploma or less educational background than that.

B. Pearson Product Moment Correlation Test

In order to identify the strength and presence of the relationship between dependent and independent variables bivariate analysis was conducted. It helps to measure the variable correlation using Pearson Correlation Coefficient. Constantly, there is a correlation coefficient of a value of +1.0 in a variable that is being correlate with itself. There is a positive relationship between all the tested variables. There is a strongest positive relationship between independent variables such as reward system (r=0.665) and employee participation (r=0.585) with employee job performance. There is a moderate positive relationship between openness of communication (r=0.482) with employee job performance and there is a weak positive relationship between customer service orientation (r=0.20) with employee job performance. When arraying the results in descending order reward system comes first with a strong impact level on employee job performance. Employee participation is the second factor that has a strong impact whereas openness of communication comes third and service orientation comes last. These elements have an impact on employee job performance.

C. Research Findings

In order to prove the research findings correlation and multiple regression was done. According to the findings of the correlation test, all the selected variables have a positive relationship. It is verified some consistencies with literature review. The variables that has a strongest to weakest relationship with the employee job performance is in the following arrangement: reward system (r=0.665, p<0.01), employee participation (r=0.585, p<0.01), openness of communication (r=0.482, p<0.01), customer service orientation (r=0.200, p<0.05).

Table I: Hypothesis results for correlation

Hypothesis	Correlation Results	Decisions
H1: There is a positive significant relationship between employee participation and employee job performance in hotel industry in Southern Province, Sri Lanka	R= 0.585**, p<0.01	Accept
H2: There is a positive significant relationship between reward system and employee job performance in hotel industry in Southern Province, Sri Lanka	R= 0.665**, p<0.01	Accept
H3: There is a positive significant relationship between openness of communication and employee job performance in hotel industry in Southern Province, Sri Lanka	R= 0.482**, p<0.01	Accept
H4: There is a positive significant relationship between customer service orientation and employee job performance in hotel industry in Southern Province, Sri Lanka	R= 0.200*, p<0.05	Accept

According to the results of the multiple regression both the employee participation (sig=0.001, p<0.005) and reward system (sig=0.000, p<0.005) has a significant influence on employee job performance whereas customer service orientation (sig=0.153, p>0.005) and openness of communication (sig=0.215, p>0.005) has no significant influence on the dependent variable.

Table II: Hypothesis result for regression

Hypothesis	Results	Decisions
H5: There is a significant impact of organizational cultural dimensions on employee job performance		
H5a: There is a significant impact of employee participation on employee job performance in hotel industry in Southern Province, Sri Lanka	Sig=0.001 p<0.005	Accept
H5b: There is a significant impact of reward system on employee job performance in hotel industry in Southern Province, Sri Lanka	Sig=0.000 p<0.005	Accept
H5c: There is a significant impact of openness of communication on employee job performance in hotel industry in Southern Province, Sri Lanka performance in hotel industry in Southern Province, Sri Lanka	Sig=0.215 p>0.005	Reject
H5d: There is a significant impact of customer service orientation on employee job performance in hotel industry in Southern Province, Sri Lanka	Sig=0.153, p>0.005	Reject

CONCLUSION, IMPLICATION AND RECOMMENDATION

The organizational culture is an important element in an organization as it has a significant influence on the aspects of an organization such as employee job performance. This study was evaluated for the employee job performance and organizational culture in hotel industry in Southern Province, Sri Lanka. In this study it is identified the relationship between employee job performance and organizational cultural dimensions such as employee participation, openness of communication, reward system and also customer service orientation.

According to the results of the study it is concluded that employee participation, reward system, openness of communication and customer service orientation has a positive impact on employee job performance. The information gathered here help the hotel industry to understand the potential impact level of organizational culture on employee job performance among employees in hotel industry. Having a strong organizational culture helps the employees to achieve organizational goals by increasing employee performance. According to the results, it is discovered that employee participation and reward system are fundamental factors in organizational culture that enhance the performance in hotel industry in Southern Province, Sri Lanka.

Due to the factors such as time frame as well as the financial constraint, this study was limited to a smaller sample size. In order to get more accurate results, it is recommended to increase the sample size. In order to increase the accuracy of results it is recommended to do the same study for other industries and to the other provinces in Sri Lanka.

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