Organizational Culture and Employees’ Performance: A Case Study of Independent General Directorate of Kochies (Nomads) in Afghanistan

Mirwais Ahmadzai
Assistant professor, Faculty of Economics
Kabul University, Afghanistan

Abstract: The aim of the study is to examine the positive relationship between organizational culture and employees’ performance. The study further assessed the impact of five facets of organizational culture on employees’ job performance. The study used an adapted questionnaire for the purpose of data collection. All the staff of the Independent General Directorate of Kochies (IGDK) at the central office was taken as the sample. The result of the Pearson correlation revealed a positive relationship between organizational culture and employees’ job performance. The result of regression analysis revealed that the four facets of organizational culture namely managing change, achieving goals, coordinating teamwork and cultural strength positively and significantly contributed towards employees’ performance whereas the fifth facet clients’ orientation does not contribute towards employee performance. As a majority of the available literature on the topic in hand was carried out in the developed countries, therefore, this research tried to assess it in the context of developing countries like Afghanistan.

Keywords: Organizational Culture, Employees’ Performance, IGDK, Pearson Correlation, Multiple Regression, Afghanistan

Introduction

An organization can be defined as a structured system where people work together to achieve certain goals. An organization needs effective people to achieve these common goals. For this purpose, organizations are now focusing on human resource as it plays a vital role in organization success (Akram et al. 2015). For maintaining a better position, it is important to create a good working organizational culture. For bringing continuous support and improvement, a positive organizational culture has to be developed. For the continuous progress of every organization, the organizational culture is vital as it influences employee retention and commitment. The flexible organizational culture provides a conducive work environment in which employees work independently and easily without any hurdle. All organizations strive for employee commitment as it is vital for the effectiveness of the organization. Employee performance is the backbone of every organization and if they appreciate the organizational culture their performance will automatically be improved. At all levels of the organization, the organizational success is measured by the performance of the employees and if the
performance of every employee is according to the expectation of the organization then their organization will grow automatically. Therefore, employee performance is the basic important criteria for organizational success and growth.

Organizational Culture

The culture of any organization may be comprised of the unrecorded beliefs, behavior, and customs that decide rules for power, structuring, and making decisions. Organizational traditions, history, and present values of leadership combine form the basis for organizational culture. According to Ulrich (2014), the organizational culture decides the way how organizations do their work and provide tactics to survive in facilitation, assimilation, and success. Due to a conducive and proper culture of the organization, the workers do their work properly and in the right manner as they believe the organizational success as their own success. But, if the management or leaders lack squelches diversity and integrity, the most dominant culture can turn into cliques, cults, castes and inside grouping. The culture of an organization is a sequence of various characteristics that make the organization unique. Organizational culture can be defined as creative, dynamic, innovative and entrepreneurship. The culture of the organization may include various traditions, customs, concepts and ideas, habits and procedures for operation in a specified culture at the macro-level (Harris & Moran, 1981). According to Handy (1986) a sequence of beliefs, standards, and values is known as organizational culture. Scholz (1987) argued that the culture of any organization invisible, implicit, intrinsic and awareness of organization guide employee’s behavior to achieve results.

It is necessary to know and understand various elements of organizational culture as the researchers and educationists are not on the same page about the elements which make organizational culture. The four elements of organizational culture which are important are work processes and system, leadership style, organizational climate and organizational value (Žugaj & Cingula, 1992). According to Schein (2004), organizational culture is the standards and pattern of behavior that tie them together. The organizational culture explained the working employees right and wrong, what to believe and not to believe, how to feel and how to react and the most important actions which speak louder than words. In general, the management or leadership of the organization mostly influences the pattern of behavior. The beliefs and values of senior management are reflected by the actions and words of production and quality control managers. The process of establishing a conducive work setting or the environment in which the employees are enabled to utilize and work according to their maximum abilities is called performance management. According to Heathfield (2009), the overall work system which starts with the defining a job when needed and ends when an employee leaves the job or organization.

Employees’ Performance

Kotter (2008) identifies employee performance as the achievement of a specified assignment measured in light with current known accuracy standards, speed, cost, and completeness. Performance is the extent of an accomplishment to which an individual achieves the mission of the organization at the workplace (Cascio, 2006). According to Stannack (1996), different researchers perceived employee performance differently but the majority of them relate employee performance with transactional efficiency measurement and effectiveness towards the goals of the organization.
Different researchers have recognized various thoughts, beliefs, and attitudes of performance because these are helpful to measure the efficiency of input and output which guide towards effective transactional relationships (Stannack, 1996). In order to achieve the goals and objectives of an organization, strategies have to be designed based upon organizational performance (Habib et al. 2014). Employees Performance is measured on the basis of some performance standards which are required by the organization. According to Kenney & Gudergan (2006), the best employee performance means the accomplishment of the given work by the employee in a better way. Employee performance is multidimensional in nature, intended to get maximum outcomes and well-built bond to organizational planned objectives (Mwita, 2000). Employee performance is considered as an essential part of the development process of an organization, it promotes employee organizational commitment. Employees of the organization line up their objectives and goals with the organizational goals and feel responsible for the overall organizational well-being. These employees become satisfied when the management of the organization appreciates and rewards their efforts. In this scenario, the employees are devoted to achieving their goals which ultimately have a positive impact on the organization's overall performance.

The extent to which the employees achieve the organizational mission at the workplace is called employee performance (Cascio, 2006). He further stated that the employees’ job is built up by the extent of accomplishment of a specific mission or task which defines the performance limits. In the previous few decades, various researches were carried out on organizational culture but the empirical proofs from these studies on the effects of organizational culture on employee performance have mixed results that are paradoxical and uncertain (Ojo O, 2008). Additionally, he explained further that researchers agree that there is no agreement among the various researchers about the precise relationship between organizational culture and employee performance. Therefore, the result of previous researches is contradictory and still, there is a dire need to study the impact of organizational culture on employee performance.

**Bridging Organizational Culture and Employees’ Performance**

The organizational culture and employee performance have been interconnected to each other based upon the great relationships among the various processes of an organization. The construct of organizational culture is based upon the complication of operations and has its basis towards various processes of the business. It was a research carried out in more than 200 organizations, based on culture and long term performance (Kotter, 2008).

Organizational culture is basically not visible to the people working in it like a sea which is not visible to the fish resides in it. Although it influences the employees’ behaviors, behavioral patterns and thinking, employees compare their organizational culture to other organizations for getting accurate awareness of the culture (Amah, 2012). Another function of the organizational culture namely organizing refers to create and implement design decisions of the organization and organizational culture is significantly associated with the design of an organization. According to Daft (2004), an organizational culture where employees are empowered in making decisions may show extreme resistance to organizational centralized design which makes hurdles for managers to act in such a situation in a better way. But he also argued that organizational culture which supports employees can be ideal and powerful.
It is up to the organization whether they make the organizational culture as its liability or a powerful asset. Actually, it was stated that organizations enjoy a competitive advantage over other competitors when it carries a unique and hard to imitate the culture. A survey was carried out by Rigby & Bilodeau (2007) in which the management and leaders point out that the organizational culture is pivotal for organizations as an organizational strategy for achieving of outcomes. The successful business leaders were not surprised by these findings as they already attributed their organizational accomplishment to their conducive organization culture for working (Garvin, 1998).

Improved performance of the employees can be associated with the organizational culture or shared values. The literature available explained a positive relationship between the culture and performance of the organization with other indicators for success like providing better services, clients’ satisfaction, stock prices, market share, sale volumes, and revenue which leads to organizational goals and success. A culture that is according to the needs and demands of the organization is very important so that it can improve the shared values of the company and also propel employee performance. It is just like an organization dealing in high-technology promotes innovations and adaptability to improve the employees’ performance (Amah, 2012). In contrast to this if the same organization follows a stable culture, given respect to traditions and stick towards rules and regulations may suffer and cannot compete with its competitors. Making it simple, a right and conducive organizational culture may be an asset and a wrong organizational culture may become a liability for the organization which creates hurdles in employees’ performance and it may become a reason for the failure of the organization or it may work as a barrier for accepting change and innovations (Cavesand Porter, 1977).

Additionally, to have implications for the performance of the workers, for guiding workers’ behavior, organizational culture has an efficient control system. In contrast to having rules, regulations, and procedures, organizational culture is an efficient way to manage and control the behavior and performance of the employees. It can be explained further as when an organization tries to enhance the clients' service quality then rules and regulations may not be appropriate specifically when the problems of the clients are unique. It would be better to create a culture of client’s service for achieving good results by motivating the workers or employees to start thinking like clients and clients who clearly knows the organization’s priorities. Consequently, for the purpose to carry out management functions like organizing, controlling, etc. the top management must be able to influence and understand the organizational culture as an important tool to increase the performance of the employees and promote as well as realize organizational goals.

In a previous couple of decades, various researches were carried out to promote the performance of the employees in relation to the organizational goals. According to Caves & Porter (1977), for achieving efficient performance and organizational profit of the employees, the two important factors are collective employees’ behavior and strategic membership. It clearly explained that the overall behavior of the organizational employees is vital for the effectiveness of the organization which is control by the organizational culture. On the same lines, Glaister & Buckley (1998) point out the culture of the organization as an important component of the worker’s performance and organization effectiveness. A culture of the organization may be considered as strong in which all the employees believe and understand the organizational goals, practices, and priorities and this culture motivate the employees to participate and improve all the employees of the organization and become the organization important asset instead of liability (Denison, 1996).
Problem Statement

The majority of the organizations stressed rewards and incentives whether intrinsic or extrinsic and ignore activities related to organizational culture. Good employee’s performance is the key to create a powerful organizational culture (Kandula, 2006). Additionally, he stated that the same organization at the same location at the same time doesn’t give the same output or results due to organizational culture differences. Due to a powerful and positive culture, normal employee performance can be turned into brilliant achievement as compare to the negative organizational culture that may deviate the employees’ best performance into lower achievement. Hence, in performance management, the culture of the organization plays a direct and active role (Ahmed, 2012). Organizational culture and interrelatedness with the satisfaction of the job (Sharma & Bajpai, 2010), employees’ performance and retention (Anis et al., 2011).

On the other hand, organization culture has acknowledged comparatively lower practical research among the potential background of worker performance (Lok & Crawford, 2004). Even though various researches were conducted but there is very little evidence available to prove the relationship between organizational culture and organizational performance (Anis et al., 2011). Lok and Crawford (2004) argued the positive influences of organizational culture on the performance of its employees. The four essential elements of the organizational culture namely training and development, reward and recognition, communication and teamwork have positive effects on employees’ performance (Zain et al., 2009). Akram et al. (2017) found a positive correlation between service delivery and organizational culture. On the other hand, Lahiry (1994) argued a weak relationship between organizational culture and employees’ performance.

Questions have been aroused that whether a relationship existed between organizational culture and employees’ burnout, engagement, and coping strategies. Whether there is an inverse association between organizational culture and emotional exhaustion (Zain et al., 2009). The human resource management may possibly compel not merely their organization of cultural values but to think about the proposition of diverse cultural practices which perhaps direct to better organizational performance.

The present study attempted to analyze the extent an organization the culture has an effect on employee performance in Afghanistan Independent General Directorate of Kochies.

Research Questions

The following research questions were formulated for the present study.
1. Is organizational culture play a positive role and affect employees’ performance?
2. What is the contribution of the five facets of organizational culture on employees’ performance?

Research Hypotheses

The following research Hypotheses were formulated for the present study.
1. Organizational Culture and Employees’ Performance are positively correlated.
2. Managing change action, achieving goals orientation, coordinating teamwork, client’s orientation and cultural strength in the organization positively contributed towards employees’ job performance.
Research Method

Research Population and Sample

Independent General Directorate of Kochies (IGDK) in Afghanistan was established 14 years ago working as a policymaker, coordinate, plan and monitor health, education, residence, postures, economic, social and ochre related livestock. Its main responsibilities are to follow, coordinate and look into the social and economic affairs of kochies with related ministries and authorities. Independent General Directorate of Kochies has 31 provincial branches working at different provinces. As a case study approach, the researcher studied the central office of Independent General Directorate of Kochies, Afghanistan situated in the beautiful City of Kabul. The total Staff of the IGDK is 380 in which 141 employees working in Central office, 163 in remain in different provincial offices and 74 are teaching in Kochies related schools. Thus the sample size comprised 141 employees working at the central office of IGDK.

Research Tools

The research followed the methodology of survey research design and used an adopted questionnaire namely the organizational culture assessment questionnaire developed by Sashkin & Rosenbach (1996). The questionnaire gathered data from the respondents on demographic information, like gender, age, education, designation as well as on organizational culture variables like cultural strength, clients/clients orientation, coordinating teamwork, achieving goals, managing change and employees performance at a Likert scale of 5, where one(1)stand for strongly disagree, disagree to five (5) strongly agree.

Data Analysis

After the collection of data, the data was entered into Statistical Package for Social Sciences (SPSS) version 24. The data was analyzed using reliability analysis, Pearson Correlation and multiple regressions.

Data Analysis Results

The first step of data analysis was carried out reliability analysis. The result of reliability analysis is given as under:

<table>
<thead>
<tr>
<th>Variable name</th>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Change (MC)</td>
<td>.731</td>
<td>6</td>
</tr>
<tr>
<td>Achieving Goals (AG)</td>
<td>.812</td>
<td>6</td>
</tr>
<tr>
<td>Coordinating Teamwork (CT)</td>
<td>.871</td>
<td>6</td>
</tr>
<tr>
<td>Clients Orientation (CO)</td>
<td>.901</td>
<td>6</td>
</tr>
<tr>
<td>Cultural Strength (CS)</td>
<td>.841</td>
<td>6</td>
</tr>
<tr>
<td>Employees Performance (EP)</td>
<td>.711*</td>
<td>9</td>
</tr>
</tbody>
</table>

The result of reliability analysis showed that the cronbach’s alpha value for managing change (MC) is .731, achieving goals (AG) .812, coordinating teamwork (CT) .871, clients orientation
(CO) .901, cultural strength (CS) .841 and employee’s performance (EP) .711, suggesting that reliability of all the variable items are within acceptable, good and excellent ranges. This result indicted that the data obtained through adopted questionnaire is reliable and can be used for further analysis.

**Examining the correlation between organization culture and employee’s performance**

For answering the first research question and hypothesis about the positive correlation between organizational culture and employee’s performance, Pearson correlation was carried out through SPSS software which results are as under:

Table 2: Correlation Analysis for Organizational Culture/Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>CTE</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC</td>
<td>Pearson Correlation</td>
<td>.753**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>141</td>
</tr>
<tr>
<td>EP</td>
<td>Pearson Correlation</td>
<td>.753**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>141</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

The Pearson Correlation was applied for the purpose of correlation between overall organizational culture and employees’ performance which was statistically significant at \( r^2 = .753, p < .01 \). This result enforced the acceptance of first hypothesis as the correlation between the two variables is strong.

**Assessing the Impact of five facets of organizational culture on employee’s performance**

For answering the second research question and hypothesis about the contribution of the five facets of organization culture on employees’ performance, multiple regressions were carried out which gives the following results:

Table 3. Model Summary

<table>
<thead>
<tr>
<th></th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>R</td>
<td>R Square</td>
</tr>
<tr>
<td>1</td>
<td>.561*</td>
<td>.393</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), managing change, achieving goals, coordinating teamwork, clients orientation, cultural strength

The result of table 3 indicated the summary of regression model. The value of coefficient R is \( r = .561 \), the value of \( R^2 \) is .393, the value of adjusted R square is .381 and the value for standard error of estimate is .54589.
Table 4. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>29.991</td>
<td>4</td>
<td>7.258</td>
<td>34.330</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>71.005</td>
<td>171</td>
<td>288</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>97.996</td>
<td>175</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), managing change, achieving goals, coordinating teamwork, clients orientation, cultural strength

The result of table 5 ANOVA indicated that the model as a whole is statistically fit as F = 34.330 and p < .01.

Table 6. Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.159</td>
<td>.398</td>
<td>.386</td>
<td>.008</td>
</tr>
<tr>
<td>Managing Change</td>
<td>.223</td>
<td>.079</td>
<td>.199</td>
<td>3.099</td>
</tr>
<tr>
<td>Achieving goals</td>
<td>.322</td>
<td>.069</td>
<td>.330</td>
<td>5.248</td>
</tr>
<tr>
<td>Coordinating teamwork</td>
<td>.153</td>
<td>.077</td>
<td>.151</td>
<td>2.181</td>
</tr>
<tr>
<td>Clients orientation</td>
<td>-.085</td>
<td>.058</td>
<td>-.079</td>
<td>-1.377</td>
</tr>
<tr>
<td>Cultural Strength</td>
<td>.428</td>
<td>.068</td>
<td>.463</td>
<td>6.168</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

The result of Table 6 indicated relationship and contribution of independent variables towards dependent variable. The result of all the three table of regression analysis above is reported below in regular econometric format for better understanding of the result.

Regular Econometric Format

\[ JS = .259 + .223 \text{MC} + .322 \text{AG} + .153 \text{CT} + -.085 \text{CO} + .428 \text{CS} \]

\[(.386) (3.099) (5.248) (2.181) (-1.377) (6.164)\]

\[t\text{-statistics} \]

\[(.008) (.003) (.000) (.002) (.213) (.000)\]

\[\text{Sig-value} \]

\[R = .561 \quad R^2 = .393 \quad R^2 \text{ adjusted} = .381\]

\[F = 34.330 \text{ (p-value = .000) N= 141} \]

As a whole the regression model is statistically significant at F = 34.330 at P < .01. In the model, the included five facets of organizational culture as independent variables showed 39.3% variation in dependent variable employees’ performance. By looking at variables individually, managing change is statistically significant at p < .05, achieving goals at p < .01, coordinating teamwork at p < .05 and cultural strength at p < .01. The only one facet client’s orientation as independent variable was statistically insignificant at p = .213 which is greater than .05.

The result of regression analysis indicated that the four facets of organizational culture namely managing change, achieving goals, coordinating teamwork and cultural strength were statistically significant and contributed positively towards the dependent variable employee performance.
Managing change contribute .223 units, achieving goals contribute .322 units, coordinating team contribute .153 units and cultural strength contribute .428 units in employee performance for every unit increase in independent variable whereas the contribution of client’s orientation is zero or negligible due to statistically insignificant.

Discussion

The findings of the study on the basis of Pearson correlation indicated that there is a positive correlation between organizational culture and employee performance at the workplace which is similar and consistent with the findings of Al-Matari (2019). On the other hand, the result of regression analysis revealed that although the four facets of organizational culture i.e. managing change, achieving goals, coordinating teamwork and cultural strength are positively contributing towards employees’ performance but the one facet of organizational culture namely client’s orientation was statistically insignificant and not contributing which was contrary to the findings of Stewart & Barrik (2000). This may be the lower emphasis of top management, the ambiguity of some authorities and responsibilities, unsatisfactory coordination of sectorial ministries/organizations with IGDK towards the clients(kochies) orientation and satisfaction or having no specific and enough budget for providing better services to clients.

Conclusion and Future Recommendations

The current study examined the impact of five facets of organizational culture on the employees’ performance at Independent General Directorate of Kochies (IGDK) Afghanistan. The research as a case study gathered data from 141 employees of the central office situated in Kabul, Afghanistan using an adapted questionnaire. The data analysis was carried out using various statistical tools such as reliability analysis, Pearson correlation and multiple regressions. The result indicated that organizational culture and employees’ performance are positively correlated. The analysis of multiple regression indicated that managing change, achieving goals, coordinating teamwork and cultural strength of the organization is the best predictor of employees’ performance and positively contributing whereas the one facet of organizational culture i.e. clients (kochies) orientation was turned down being statistically insignificant. It is concluded from the research results that the four facets of organizational culture may be considered pivotal for organizational growth and employee performance and give proper attention to the top management.

It is recommended that the Independent General Directorate of Kochies (IGDK) be supposed to appreciate employees who achieve goals and take important measures to allow positive changes in the organization. As IGDK is a policymaker and coordinating body with related sectoral ministries and organizations to coordinate and provide better services to kochies, therefore IGDK should provide better proposals and also should take effective steps for better coordination with sectoral ministries and other related organizations to prepare SMART plans for providing required services, and also should have plans for monitoring from kochies related projects implementing by sectorial ministries throughout the country for the purpose of quality assurance and clients satisfaction. The organization should propose specific budget codes in each related sectorial ministry to have enough need-based budgets for providing services to kochies. Already established commission and committees for the purpose of coordination should be further improved and keep them active and committed. As Kochies contribution to our national economy is like backbone so we should have their production encouraging
policies and also the government should pay special attention to the rehabilitation of pastures and livestock. The organization may take necessary steps like improving work ethics, organizational practices and enabling teamwork for successful achievement. These steps would actually lead to improved appreciation norms, values, and beliefs to be commonly shared by the organization’s employees. It is also suggested that related studies should be conducted to a larger extent by emphasizing on the samples from both central and provincial provinces. Similarly, a comparative analysis between findings from central and provincial offices can provide Afghan government with remarkable indications in order to enhance organizational performance. In fact, this could be a good initiative to put into practice a national system of innovation based on organizational culture.

*****

References