

Effects of Organizational Culture on Employee Performance (Case Study of Wartsila - Kipevu Ii Power Plant)

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Abstract

As businesses evolve, to keep ahead of competition, so do their expectations for their employee's performance. An employee is a key element of an organisation and the success or failure of the organisation depends on individual employee performance which affects positively or negatively the organisation performance at large. Every business has their own specific way of doing things, has developed norms and procedures over time and has different atmosphere and feeling and this is the organisation culture. Organisation culture adopts overtime to cope up with such dynamic changes and meet the varying demand of employee expectations and satisfaction which in turn influence the employee's performance. The study analyses the influence of organisation culture on employee's performance with a focus on Wärtsilä Limited, a private organization in Kenya. It has offered recommendations on what can be done to achieve optimum performance while adopting the right culture. The study employed a survey research design with the target population comprising of a stratified census sample of 63 members of staff from the organization at different levels. The data has been collected using questionnaires and analysed using descriptive statistics, to determine whether organisation culture really affects the employee's performance. The researcher has provided an introduction letter from the university as assurance that the information would be treated with maximum confidentiality, as reluctance to provide some personal information was an anticipated limitation of the study. Collected data was analysed using SPSS software and data represented in graphs, charts and tables for better understanding and interpretation. Since employee's job performance is one of the important factors for a business to compete in this global market, the purpose of this study is to explain and empirically test the effect of the four elements of Organisation culture namely; organisation values, organisation climate, leadership styles and work processes to the employee's performance. The results of this study suggest that managers should focus on the factors that have a significant effect on employee performance, if they want to enhance their businesses. Based on the results, this study was able to revealed that organizational values has a more significant effect to employee's job performance at Wärtsilä, than the organisation climate as is mostly assumed as a vice versa relationship. Overly a positive relationship between organisation culture and employee performance was established, however the effect diversely varied amongst the variables with work processes and systems in Wärtsilä having more effect to employees performance. The sophisticated and extensive nature of the paper would add value to organization studies discipline by providing an important qualitative perception towards organizational culture and employee performance and would initiate further discussions to create an effective framework between organizational culture and its impact on performance.

Keywords: Organisational Culture and Employee Performance

1.0 INTRODUCTION

Organizational culture comprises the unwritten customs, behaviors and beliefs that determine the "rules of the game" for decision-making, structure and power. It's based on the shared history and traditions of the organization combined with current leadership values. In effect, culture dictates the way we do business here and the organizational survival tactics that facilitate assimilation and personal success (Dave H. and Jeanne Ulrich, 2011). With a strong organizational culture, employees do things because they believe it's the right thing to do and feel they'll be rewarded for their actions. However, if the leadership team lacks integrity or squelches diversity, powerful cultures can morph into cults, cliques, castes and insider clubs. Organisational culture can be treated as a series of distinctive characteristics of a specific organisation. Some modern definitions of organisational culture are dynamic, directed at creativity, innovations and entrepreneurship. Organisational culture includes; a system of ideas and concepts, customs, traditions, procedures and habits for functioning in a specific macro culture» (Harris P. R, R.T Moran, 1981; 103-104). Organisational culture is a series of values, standards and beliefs (Handy C.B, 1986). Organisational culture is implicit, invisible, intrinsic and informal awareness of the organisation which directs behaviour of individuals and which results from their behaviour» (Scholz Z 1987; 80)

In understanding organisational culture it is very important to know all its elements. Authors are not unanimous about what are the elements of the organisational culture. According to Armstrong (Žugaj, Cingula, 1992; 209) there are four important elements of organisational culture. These are; organisation value, organisation climate, Leadership style, work processes and system. The culture of an organization refers to the behaviour patterns and standards that bind it together Schein (2004). A company's culture tells the people who

work for it what is right and wrong, what to believe, what not to believe, how to react and how to feel. And its actions speak louder than its words. Generally, behaviour patterns are most strongly influenced by the leaders of the organization. The words and actions of the quality control and production managers reflect the values and beliefs of senior management. Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance management is a whole work system that begins when a job is defined as needed. It ends when an employee leaves your organization M. Heathfield, (2009).

According to Cascio (2006) performance is the degree of an achievement to which an employee's fulfil the organisational mission at workplace. He continues to say that the job of an employee is build up by degree of achievement of a particular target or mission that defines boundaries of performance. According to Ojo O. (2008) despite the plethora of studies on organisational culture in the last few decades, the empirical evidences emerging from various studies about the effect of organisational culture on performance have so far yielded mixed results that are inconclusive and contradictory. He further states that researchers concur on the fact that there is no agreement on the precise nature of the relationship between organisational culture and performance. Because of these results the question of whether organisational culture affects employee performance is still worthy of a further research.

1.1.1 Brief history of Wärtsilä

Wärtsilä history starts in 1834 when the first sawmill was built in the municipality of Tohmajärvi. In 1898 the saw mill and iron work's company is renamed Wärtsilä Ab. In 1936 Wärtsilä acquired the Onkilahti engineering workshop in Vaasa. Two years later the company signs a licence agreement and the first diesel engine in Turku is built in 1942. Wärtsilä was quoted on the London stock exchange in 1984. (Kirja Rajattomalla energialla, 2009). Wärtsilä is a leading supplier of flexible power plants for the decentralised power generation market. Power Plants division offers solutions for base-load power generation, grid stability & peaking, industrial self-generation as well as for the oil and gas industry. Technology leadership, a strong and broad product portfolio, high efficiency and fuel flexibility, plus the ability to offer complete turnkey deliveries worldwide puts Wärtsilä in a unique position in the power plants markets.

Due to the technical expertise required to maintain and Operate the engines, expertise resource has been sought overseas. From 2001 to 2013 Kipevu II has deployed more than 50 experts from different nations at different intervals. Currently Kip II has 4 experts - Filipinos who have been in the plant between 4 and 13 years of the operations to date. Besides there are job rotation and service exchange programs frequently happening among the African nations where Wärtsilä has operations. This is not to mention the diversity of the employees from different tribes in Kenya. All the above have contributed to the culture currently at Kipevu II. The diversity amongst the employees, the policies and procedures which are dynamic, Leadership styles from different manager of different nationalities and the employee's values has been a key determinant of the organisational performance.

Due to the technicality and expertise needed to succeed in the business 30% of Wärtsilä employees are foreigners mainly and not limited to Filipinos, Finnish and Indians. The management has an interest to create one global organisational culture for all its overseas branches. However different groups develop different belief systems, and as Martin J. (1992) states, organisational cultures in multinational companies are multicultural rather than one unified culture. The cultural diversity, different national cultures and top management efforts for a global organisational culture has over the years resulted in employees adapting a culture that never resulted to the expectations of the management's and their efforts for high productivity, higher performance and innovationist through the human resource in the organisation. For the purposes of this research the focus will be on Kipevu II power plant in Mombasa. The Management at the plant level requested for the research as a result of their concern about the present organisational culture and the effects it could be having on the existing challenge with its employee's on commitment and productivity which, in turn, negatively affects employee's job performance and general organisation performance. The study seeks to establish the relationship and formulate recommendations that can assist the management to solve the situation at hand in the plant.

2.0 LITERATUREE REVIEW

2.1 Theoretical Review

The theoretical review will cover the below theories related to performance and organisation culture. This study is based on three major theories namely, The Schein's theory of organisational culture, Theory X and Theory Y by McGregor, and the theory of Open-Book Management by John Stack.

Organizational culture is the atmosphere that pervades the interior of a company or association. Organisational culture was also identified as what was conveyed to the individuals with the organisation, what they experienced, believed, and demonstrated (Nadler M & Nadler D., 1998). Theories of organizational culture attempt to explain the phenomena that occur in and around individuals. The conceptual study regarding

organizational culture is often called the phenomenon of interest. Rather than a mathematical formula, the study of organizational culture includes shared understanding, intangible values and assumptions, and the effects culture has on human behavior. Understanding the phenomenon of organizational culture allows companies to strengthen their working environments.

The study of theories of organizational culture is often difficult due to the lack of concrete evidence on various cultures. A shared understanding of organizational culture is one of the different theories among private and public sector organizations. Individuals in a company often hire like-minded individuals in order to promote a specific, well-defined purpose. This allows the business or organization to have a singular focus in terms of Performance. Theories on organizational culture typically have different overall corporate mind-sets, such as ethics, profits, or philanthropy. The shared characteristics only change through time when hiring managers replace older workers. Ojo (2008)

2.1.1 Schein's theory of organisational culture

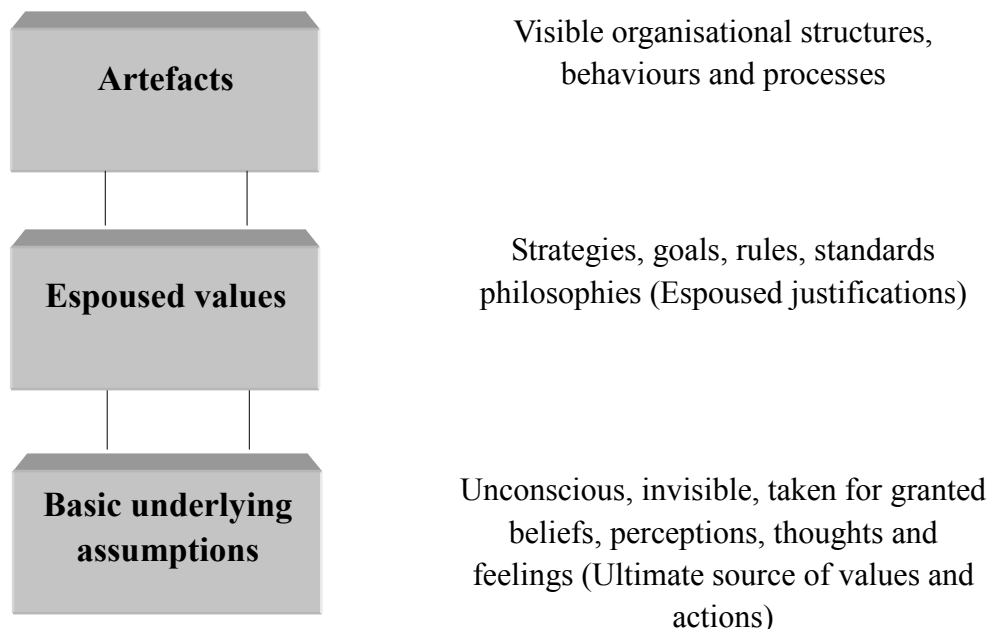
Schein's model of organizational culture is not only one of the most cited culture models but also one that serves a high degree of abstraction and complexity reduction. It mainly consists of three domains: basic underlying assumptions, espoused values, and artefacts. She distinguishes between observable and unobservable elements of culture. It therefore becomes clear that there is a certain hierarchy between these domains. Visible behaviour influences and is influenced by unobservable assumptions through rules, stand. This is further clarified in figure 2.1

Artifacts are the surface level of an organizational culture, tangible, easily seen and felt manifestations such products, physical environment, language, technology, clothing, myths and stories, published values, rituals and ceremonies, etc.

Espoused beliefs and values are the next level of organisational culture, including strategies, goals, shared perceptions, shared assumptions, norms, beliefs and values instilled by founders and leaders.

Basic underlying assumptions are the base level of organisational culture, and are the deeply-embedded, unconscious, taken for granted assumptions that are shared with others. Any challenge of these assumptions will result in anxiety and defensiveness.

The most visible symbols should not be the only aspects used to interpret culture, due to the ease with which they can be misinterpreted. Focusing only on visible symbols will result in a failure to grasp the underlying basic assumptions that are fundamental to understanding the culture. Similarly, it is important to recognize that even espoused beliefs and values may only reflect the aspirations of a culture, and not the actuality.



Author; Schein (2004)

Figure 2.1 Schein's theory of organisational culture

2.1.2 Theory X and Theory Y

McGregor developed a philosophical view of humankind with his Theory X and Theory Y in 1960. His work is based upon Maslow's hierarch of needs theory, in that he grouped the hierarchy into lower-order needs (Theory X) and higher-order needs (Theory Y). He suggested that management could use either set of needs to motivate employees, but better results would be gained by the use of Theory Y, rather than Theory X. These two opposing

perceptions theorized how people view human behavior at work and organizational life.

With Theory X assumptions, management's role is to coerce and control employees to perform since; People have an inherent dislike for work and will avoid it whenever possible, secondly People must be coerced, controlled, directed, or threatened with punishment in order to get them to achieve the organizational objectives, thirdly people prefer to be directed, do not want responsibility, and have little or no ambition and finally people seek security above all else.

With Theory Y assumptions, management's role is to develop the potential in employees and help them to release that potential towards common goals since employees view; Work as natural as play and rest, secondly People will exercise self-direction if they are committed to their own objectives, thirdly people are committed to objectives since it is a function of the rewards associated with their achievement, fourthly people learn to accept and seek responsibility, creativity, ingenuity, and imagination are widely distributed among the population therefore people are capable of using these abilities to solve an organizational problem and finally that people have potential to propel the organizational performance.

Intellectual creativity cannot be 'programmed' and directed by Management programs but through proper impartation of cultural values of personal responsibility and accountability. This kind of intellectual contribution to the enterprise cannot be obtained by giving orders, by traditional supervisory practices, or by close systems of control. Even conventional notions of productivity are meaningless with reference to the creative intellectual effort. Management has to consider in depth in what is involved in managing an organization heavily populated with people of diverse culture and whose prime contribution consists of creative intellectual effort. (from Douglas McGregor's essay, *New Concepts of Management*.)

2.1.3 The theory of Open-Book Management (OBM)

As Jack Stack, (2003) states "The best, most efficient, most profitable way to operate a business is to give everybody in the company a voice in saying how the company is run and a stake in the financial outcome, good or bad. The Open-book management is revolutionary because conventional business operates under two assumptions. These are; "a job must be defined as narrowly as possible and that Workers need close, direct supervision". Case (2003). Changes in the organizational and social environment have prompted changes in the approach to management. Open-book management is a way of running a company that gets everyone to focus on helping the business makes money. John Case (2003) further argues that open-book management takes those trendy new management ideas - empowerment, TQM, teams and so on - and gives them business logic. In an open-book company, employees understand why they're being called upon to solve problems, cut costs, reduce defects, and give the customer better service.

Case (2003) further clarifies that, in open-book management there are three essential differences to a conventional business. Every employee sees - and learns to understand - the company's financials, along with all the other numbers that are critical to tracking the organizational performance. Secondly, employees learn that, whatever else they do, part of their job is to move those numbers in the right direction and finally, employees have a direct stake in the company's success.

2.2 Summary

Culture provides the energy needed to function well by ensuring as it were a proper circulation of blood through all the organs (Farooq et al 2008). An employee's performance depends on what is and what is not proper among his or her peers, which in turn affects that individual's behaviour and motivation to participate in and contribute to the organizational framework (Asimkhan 2005). This research is aiming at extending knowledge about organizational cultures, its possible effects on performance and introducing meaningful relationships, that is, defining processes between them from a developing nation's perspective. There is still much more fieldwork required to evaluate the relationships if it exists and its extent of effect. This study mainly focused on four independent variables. These are the various factors that affect employee performance as they contribute to an organisation culture. These factors include; organizational value, organizational climate, leadership style, and work processes.

2.3. The Critiques of the existing literature

Organizational culture - a popular but also a very complex concept - has been identified as an influential factor affecting the successes and failures of organizations in diverse ways. However, culture is a very versatile concept, and there are many controversies in both defining and applying it. The existing Literature on culture, organisation culture and employee performance is mainly focused and carried out in developed countries and considering the determinants, influences and composition of the culture it cannot apply universally in different environments like the developing countries (Author, 2014).

According to Ojo (2008) despite the plethora of studies on organisational culture in the last few decades, the empirical evidences emerging from various studies about the effect of organisational culture on performance have so far yielded mixed results that are inconclusive and contradictory. He further states that researchers

concur on the fact that there is no agreement on the precise nature of the relationship between organisational culture and performance.

2.4 .Research Gaps

From the above literature review, the issue of the interrelation between the organisation culture and employee performance is not brought out clearly as far as the variables under investigation are concerned. Several researchers have described organizational culture and employee performance from other wider dimensions in other countries such as Nigeria, India and USA. There is however a lot that has not been done to establish the specific culture related factors that affect employee performance. Organisational Culture research has not been effectively done in developing countries and in particular Kenya hence a major gap in relevant literature on Kenya or the developing countries at large. The research intends to bridge this available gap by identifying the actual effect of culture in an organisation to the employees' performance. The study will be limited to only one organisation with a relatively small population hence may not entirely represent the different cultures and different industries.

3.0 RESEARCH METHODOLOGY

3.1 Research Design

A research design is defined by (Mugenda and Mugenda, 1999) as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to purpose with the economy in procedure. A research design "specifies the objectives of the study, methodology and techniques to be adopted for achieving the objective" (Shajahan S & Shajahan L, 2009). This research adopted a purposive design. A census study was considered because the target population was small to sample. The survey was centred on Wärtasilä Eastern Africa limited, Kipevu II power plant which is located at Changamwe in Mombasa County.

3.2 Target Population

"Population refers to an entire group of individuals, events or objects having common observable characteristics" (Mugenda & Mugenda, 1999). The study targeted all employees of the various sectors of Wärtasilä, Kipevu II. A pilot survey indicated that Wärtasilä, Kipevu II plant has five departments; HR and Administration, Operations, Maintenance, HSE and Purchasing and Logistics With three (3) top managers, five (5) heads of departments, Seven (7) supervisors and forty Eight (48) General staff. The target population of this study was comprised of all the employees totalling to Sixty Three (63) personnel as is illustrated in table 3.1 below.

Table 3.1 Target Population

Designation	Total Number of Employees in the Department
Top Managers	3
Heads of department	5
Supervisors	7
Operations and Maintenance Staff	48
Total	63

Source: Author (2014)

3.3 Sample size and Sampling Technique.

A census study was considered because the target population was small to sample hence the entire population was considered for the research study. This therefore means that there was no sampling technique applied for this study

3.4 Data collection instruments

Instruments refer to the tools that will be used to gather information from the respondents. The study relied on primary data, which was gathered using questionnaires. A questionnaire is a set of questions for gathering information from individuals. According to Hagerty and Patusky (1995), a careful questionnaire design is essential in quantitative research (and also qualitative research) for the collection of good quality data. The primary data collection was through self-administered questionnaires. The quantitative measure on the variables was administered by structured questionnaire. These were adopted because they elicited specific responses that were easy to analyse. It was also economical in terms of time since it was easy to fill.

Data was collected from both primary and secondary sources.

- i. Primary data was collected from 59 respondents including Top Managers, HOD, Supervisors and employees of Wärtasilä - Kipevu II. This is because this type of data is original and was collected specifically for the problem under study.

- ii. Secondary data was sourced from Wärtsilä strategic plans and websites. Other related documentations, internal memos and minutes of meetings about organizational performance will also be evaluated.

3.5.Data Processing and Analysis

The researcher compiled, sorted, edited, classified and entered the data into the computer for analysis. The statistical package for Social Scientists (SPSS IBM 22) was used in analysing the data. In analysing, the relationships between the independent variables and dependent variable factor analysis, correlations and multiple regressions were performed. A factor analysis was carried out to determine the actual factor loading of the items and the contribution of each factor to the different variables. Pearson's correlation was used to determine the degree of relationships between the variables. Regression analysis was used to determine the predictability (contribution) of the independent variable to the dependent variables.

4.0 DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 General Descriptive of all the Valuables

Table 4.1 Descriptive Statistics

	Mean	Std. Deviation	N
Organisational Values	3.28	.299	59
Organisational Climate	3.03	.315	59
Leadership styles	3.12	.317	59
Work Processes	3.12	.320	59
Performance	3.93	.485	59

Source: Derived from the analysis of the information got from the respondents

There was a high positive perception by the respondent on exist organizational culture at Wärtsilä with a mean of 3.93. Organizational values as indicated by employees was to a moderate extent (mean= 3.28; moderate extent) There is a significantly positive perception of Leadership Styles, organisational climate and work Processes existing at Wärtsilä (Mean= 3.12; 3.03 and 3.13; Agree) respectively as indicated by respondents.

4.2 Pearson Correlation Test

The study sought to establish the relationship between the variables of the study that were Work Processes, leadership styles, Organisational Values, Organisational Climate and Employee performance at Wärtsilä Eastern Africa. The relationship between variables was established using the Pearson correlation tests (r, correlation coefficients). It should be noted that the Pearson correlation coefficient (r) tests the relationship between variables and it shows the magnitude of effect one variable has on another one and the table 4.4 below presents the results.

Table 4.2 Correlation Matrix of the Variables

		Work Processes	Organisation Climate	Organisation Values	Leadership Styles	Performance
Work	Pearson Correlation	1	.402**	.531**	.241	.396**
Processes	Sig. (2-tailed)		.002	.000	.066	.002
Organisation	Pearson Correlation	.402**	1	.427**	.674**	.375**
Climate	Sig. (2-tailed)	.002		.001	.000	.003
Organisation	Pearson Correlation	.531**	.427**	1	.395**	.297*
Values	Sig. (2-tailed)	.000	.001		.002	.022
Leadership	Pearson Correlation	.241	.674**	.395**	1	.331*
Styles	Sig. (2-tailed)	.066	.000	.002		.010
Performance	Pearson Correlation	.396**	.375**	.297*	.331*	1
	Sig. (2-tailed)	.002	.003	.022	.010	

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

**. Correlation is significant at the 0.05 level (2-tailed).*

4.3 The relationship between study variables

4.3.1 The relationship between organizational values and Employee job Performance at Wärtsilä (Objective 1)

From the analysis of results in the table above, it's indicated that there is a positive weak significant relationship between organizational values and Employee performance ($r = .297$, $p < 0.01$). These results imply that Organisational values can have an effect on employee's job performance. Stronger correlation exists between

organisation values and the other variables (Organisation climate ($r = .427$, $p < 0.01$), Leadership styles ($r = .395$, $p < 0.01$), Work processes and systems ($r = .531$, $p < 0.01$) that's to say that though the direct relationship is weak for organisation value to performance it has a significant strong indirect impact through its strong correlation with the other variables and this therefore implies that organisation values has an impact on employees performance directly and indirectly.

4.3.2 The relationship between Organizational Climate and Employee job performance at Wärtsilä (Objective 2)

A strong and positive relationship was observed to exist between organizational climate and employee Performance at Wärtsilä ($r = .375^{**}$, $p < .05$) and a strong correlation with Leadership styles variable. This implies that leadership styles can affect the perception of organisation climate amongst the employees and Organisation climate has direct impact on employee's job performance. Improvement on leadership styles and perception of the organisation climate would lead to a better employee job performance.

4.3.3 The relationship between Leadership Styles and Employee job performance at Wärtsilä (Objective 3)

The results in the table above present a significant and positive relationship between Leadership styles and employee performance at Wärtsilä ($r = .331^*$, $p < .05$). This implies that the leadership styles used by the managers has a significant impact on employees job performance at Wärtsilä, improving the leadership skills to enhance better leadership styles would not only enhance employees job performance but as well the organisation climate which has a strong relationship with leadership styles.

4.3.4 The relationship between Work Processes and systems and employee job performance at Wärtsilä. (Objective 4)

It is observable that there is a strong positive relationship between work processes and employees performance at Wärtsilä ($.396^{**}$, $p < .01$), as well as with the organisation values ($r = .375$, $p < 0.01$). This implies that work processes and system at Wärtsilä has a significant impact on employees job performance as well affects or is affected by the organisational values. A well-managed organisational values, work processes and system in place would significantly improve employee's job performance at Wärtsilä.

Table 4.3 Model Summary

Model	R	R Square	Adjusted R Square
1	.476 ^a	.227	.169

a. Predictors: (Constant), Work Processes, leadership styles, Organisational Values, Organisational Climate

From the model summary table 4.3 above, adjusted R^2 is .227, this indicated that the four variables (Organisation Values, Organisation Climate, Leadership Styles and Work processes and systems) explains a 22.74% of variations in employee performance. Other factors not included in this model explain 77.3%. A further research therefore should be conducted to explain these other factors that affect the employee's job performance.

4.4 Regression Analysis of variables

To establish the extent to which work processes and systems, leadership styles, organisational values and organisational climate predicted Employee job performance at Wärtsilä, a prediction model using multiple linear regression analysis was used and results are presented in the table below.

The regression linear equation $Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \dots$ was used to show the extent to which the predictors i.e. Organisational Values, Organisational Climate, leadership styles and Work Processes could explain the dependent variable (Employee Performance).

Table 4.4 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.031	.775		1.330	.189
	Organisational Values	.033	.244	.020	.136	.892
	Organisational Climate	.225	.266	.146	.847	.401
	Leadership styles	.237	.253	.155	.937	.353
	Work Processes	.438	.222	.289	1.976	.053
a. Dependent Variable: Performance						

$$Y = 1.031 + .033X_1 + .225 X_2 + .237X_3 + .438X_4$$

Where

Y = Performance

X₁ = Organizational Values

X₂ = Organizational Climate

X₃ = Leadership Styles

X₄ = Work Processes

Multiple regression analysis was conducted to determine relationship between variables Organisational Values, Organisational Climate, leadership styles and Work Processes and employee job performance as per the SPSS generated on the table 4.4, the equation $Y=B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4$ becomes $Y = 1.031+ .033X_1 + .225 X_2 + .237 X_3 + .438X_4$.

This regression equation in **table 5.0** above show a combination of Organisational Values, Organisational Climate, Leadership Styles and Work Process in assessing the level to which they can predict Employee Performance. These variables explained 22.7% of the variance in Employee performance (R Square =.227). The most influential predictor of Employee performance was work Processes (Beta = .289) with a relative importance of 1.976 (in t-test). Also Leadership Styles (Beta=.155) is a significant predictor of Employee performance with a relative importance of .937(in t-test). Organizational values has a minimal influence to employee job performance since it portrays positive weak significance with a relative importance of .136(in t-test) in the model while Organisation climate has a moderate positive significance to employee performance in the Organisation with relative importance of .847 (in t-test) in the model. The implication in this model is that work processes in the Organisation and the leadership styles applied at Wärtsilä at large significantly determines the employee's job performance in their respective areas.

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

5.1.1 Organization values and Employee job Performance at Wärtsilä

From the analysis of results it's established that there is a weak positive significant relationship between organizational values and Employee performance ($r= .297, p< 0.01$). From the analysis organisation values overly has the lowest correlation with performance amongst the other variables tested.

The respondent's seem to be influenced by the sense "The employees of Wärtsilä understand the mission of the organization", "Wärtsilä conducts its business in a sustainable and responsible way" and "Wärtsilä norms and rules tells the employees what they are supposed to be doing, saying, believing and even wearing" have the highest means of 3.37, 3.32 and 3.25 respectively this means that the organisation value attributes aid's Wärtsilä in setting up an organizational citizenship among employees; which is accompanied by a sense of mission and purpose Organisation values in Wärtsilä play an important role of inciting motivation and consequently improving employee's performance.

Exploring the perceived evidence of the identified organizational values, variation was exhibited among the results. The overall standard deviations of the constructs were relatively high. Therefore, individual items reflected differences across the measurement scale, denoting a lack of overall agreement among the respondent's. These results imply that Organisational values have weak direct impact on effect on employee's job performance but correlating it with other variables it could have a major indirect effect on employee performance.

5.1.2 Organizational Climate and Employee job performance at Wärtsilä.

From the analysis of results it's established that there is a strong positive significant relationship between organizational values and Employee performance ($r= .375, p< 0.01$).

The respondent's seem to be influenced by the sense "I am satisfied with my sense of belonging at work" scored the highest means of 3.25 with "There is a good communication at Kipevu II" scoring the lowest with a mean of

2.88, this means that Wärtsilä needs to improve means of upholding an environment that enhances organizational culture and helps to meet the benchmarks of employee performance factors. The environment of the organization helps the employees to perform fittingly and meet the performance levels expected of them.

In this study the respondent's seem to be influenced by the sense of belonging in the office and the perception that they are comfortable at the workplace making them work comfortably.

This implies that leadership styles has a direct affect the perception of organisation climate amongst the employees and Organisation climate has direct impact on employee's job performance. Improvement on leadership styles and perception of the organisation climate would lead to a better employee job performance.

5.1.3 Leadership Styles and Employee job performance at Wärtsilä

From the analysis of results it's established that there is a strong positive significant relationship between organizational values and Employee performance ($r = .331, p < 0.01$).

Leadership style's was measured by individually asking the employees how they perceive the management support and the applied leadership styles from their supervisors and the Managers. The respondent's seem to be influenced by the sense 'Wärtsilä management can be trusted, Wärtsilä's management style encourages delegation and innovation and Management leadership style influences performance of employees has the highest means of 3.22 from the respondent's while the perception that management cares about them as an individual earn a low score of 2.98 this means that Wärtsilä management must ensure that most employees' needs must be identified and satisfied to enhance performance. Besides that, every needed resource must be provided to the manager and ideas from employees objectively evaluated and if relevant, used to assist operations and push the organisation to achieve its performance target and overall goals

5.1.4 Work Processes and systems and employee job performance at Wärtsilä.

It is observable that there is a strong positive relationship between work processes and employees performance at Wärtsilä (.396**, $p < .01$). The respondent's seem to be influenced by the sense that "The key activities of the organization are aligned to the corporate objectives" and "How well does the management express Wärtsilä individual Objectives to the employees" has the highest means of 3.19 and 3.17 respectively. This indicates that the respondents understand the organisation objectives and the management communication in general and specific organisation objectives are well understood. This implies that work processes and system at Wärtsilä has a significant impact on employees job performance as well affects or is affected by the organisational values. A well-managed organisational values, work processes and system in place would significantly improve employee's job performance at Wärtsilä.

The analysis implies that that high performance work system practices generate positive outcomes for employees by meeting their interests (specifically their interest in an orderly and predictable working environment). The results suggest that positive outcomes arise in because work processes and systems contribute to workplace order and predictability.

5.1.5 Performance

As employee performance depends on employee satisfaction, the overly response on performance perception of the respondent was high with "Responsibilities and accountabilities of employees are clear" scoring the highest mean of 4.14 with the rest of the questions having a high mean of over 3.5. This means that Wärtsilä can be believed to have successfully attained employee satisfaction through employee performance.

In explaining this finding, the article highlights the importance of contextual factors, notably industry and employee characteristics, in shaping outcomes. The article concludes that socio-logically oriented analyses which apprehend the importance of employee interests provide a useful supplement to conventional psychologically oriented accounts of HPWS and provide a basis for continued development of labour process theory. If your employees are not performing as well as you would like, it's very likely because they are not very satisfied with their jobs and committed to the organization.

5.2 CONCLUSION

Wärtsilä, as a private limited company, the top management of the company has a crucial role to play in fulfilling the domain of the organizational culture. The organization itself maintains veracity in its pursuit of global standards. The top management is accountable for maintaining a culture that holds clear and transparent policies and procedures. Human resources department is the key influencers and shaper of the organizational culture and values. The performance of employees is maintained and manipulated via motivation, rewards and codes of conduct. Regular meetings and open discussion take place in the organization to neutralize conflict, improve organizational culture and promote performance.

5.2.1 Organizational values and Employee job Performance

According to Hofstede (1980) the values of organization lies within the heart of it. This research brings evidence that an organisation need to set high standards when it comes to the aspect of 'Values' and the employees ought to resonate well with the organisation values.

A signifier of prosperity within an organization is evidence of an agreement between organizational

values and routine behaviours of its personnel (Conklin, & Jones, 2003). Reducing the gaps between extremely valued and extremely evident and thereby aligning the values of the personnel and what is actually happening within the organization could result in increased employee morale and job performance.

Value congruence indicates similarities between an individual's perceived value importance and the values exemplified in their work environment. It is ideal for individual employee perceptions of evidence to mirror their perceptions of value among work related concepts/ideas. Personnel who work in a congruent environment where values match actions tend to be happier, more productive, and adjust to change at a faster rate (Adkins et al., 1994).

The evidence that the majority of identified past organizational values are program focused and have only represented a specific portion of the organization. In this analysis, organizational values represent a more holistic view thus highlighting areas that otherwise may have gone unnoticed or have been too narrowly focused. These results imply that Organisational values can have an effect on employee's job performance.

5.2.2 Organizational Climate and Employee job performance

The analysis reveals that organisation climate has a significant direct effect on employee's job performance. From the analysis the respondent's seem to be influenced by the sense of belonging in the office and the perception of comfort at the workplace making them work comfortably. The study done in Armenia by Alfredo et al found similar result , where they found out that lack of important structural and furniture such as water, electricity, toilets, affect employees performance.

This implies that leadership styles can affect the perception of organisation climate amongst the employees and Organisation climate has direct impact on employee's job performance.

5.2.3 Leadership Styles and Employee job performance

That leadership style is one of the several factors affecting employees' performance. The analysis reveals that there is an intimate relationship between leadership styles and employee performance. The employees of Wärtsilä are happy / satisfied of the type of leadership style adopted by the organization.

Leadership styles refers to the pattern of leaders behaviour that characterize a given leader (Anayo 2005) or various patterns of behaviour favoured by leader during the process of directing and influencing workers.

A leader's choice of leadership style must address situational forces as the organization preferred style, the size and cohesiveness of a specific work group and the nature of the group management must ensure that most employees' needs must be identified and satisfied to enhance performance. Besides that, every needed resource must be provided to the manager and ideas from employees objectively evaluated and if relevant, used to assist operations and push the organisation to achieve its performance target and overall goals.

There is a relationship between leadership styles and employee job performance whereby bureaucratic leadership styles had the lowest level of employee commitment. Having an encouraging routine work schedule, smart decision making process, and an efficient hierarchical management style determines the nature of commitment employees are likely to have towards the organisation and consequently their job performance.

Nkata (2004) notes that the importance of organisation's leadership by having team work and team building require the creation of a climate in which productive and harmonious relationship can thrive and be maintained through partnership between management and employees team to flourish. In Wärtsilä, leadership is important in fostering employees morale and hence their performance.

5.2.4 Work Processes and systems on Employee Job Performance

It is observable that there is a strong positive relationship between work processes and employees performance at Wärtsilä. This implies that work processes and system at Wärtsilä has a significant impact on employee's job performance. A well-managed organisational values, work processes and system in place would significantly improve employee's job performance at Wärtsilä.

This study therefore concludes from the analysis that effective work processes and system practiced generate positive outcomes for employees by meeting their interests (specifically their interest in an orderly and predictable working environment). Utilising survey data on employees working at Wärtsilä, statistical analysis is used to test the mediating effect of order and predictability on associations between work processes and system practices and employee work performance. The results suggest that positive outcomes arise in part because work processes and system practices contribute to workplace order and predictability enhancing the overall employee's job performance. It's noted from the questions and the analysis that the importance of related factors, notably rewards, management etc. in shaping employees performance outcomes can't be ignored to have maximum performance.

5.2.5 Organisation Culture and Employee Job Performance

Top management believes that the culture can be influenced through aligning thoughts of the employees. Employees at the operational level explains culture through a generalized view suggesting that culture is the attitude that people develop by doing their daily work. Culture helps employees to direct their ideas towards the set of principles developed by Wärtsilä; such culture is similar to the beliefs of Schein (1990).

Since Wärtsilä's culture reflects top down hierarchical structure, top managers have a better

understanding of the link between culture and performance than employees at operational level. However, the results are consistent with Peters and Waterman (1982); Deal and Kennedy (2001) that identified the connections between culture and performance. Understanding the link is vital to identify the performance issues and consequently aligning the applied leadership styles affecting the same.

It was further noted by the researcher through interviews with supervisors, department heads and team leaders at the different sections that the administrative structure put in place is not very flexible to the extent where the culture can breed freely. Similarly, Nkata (2004) notes that the importance of organisation leadership by having team work and team building require the creation of a climate in which productive and harmonious relationship can thrive and be maintained through partnership between management and employees for the team to flourish.

The paper demonstrated that the attributes of organizational culture that were studied have significant positive influence over the performance of employees. The paper has mapped out four variables of organizations culture as well as showed the vital relationship between them and employee performance. The paper explained how organisation values, organisation climate, leadership styles and work processes and systems impacts on employee's performance. The findings of the paper significantly demonstrate both positive and negative mannerism of culture attributes which has significant consequences on employees as well as organisation's performance. The paper also asserts that organizational culture is an open system approach which has interdependent and interactive association with employee's performance.

Since employee's job performance is one of the important factors for a business to compete in this global market, the purpose of this study is to explain and empirically test the effect of organisation values, organisation climate, leadership styles and work processes to the employee's job performance. The results of this study suggest that managers should focus on the factors that have a significant effect on employee job performance, if they want to enhance their businesses. Based on the results, this study was able to revealed that organizational values has a more significant effect to employee's job performance at Wärtsilä, than the organisation climate as is mostly assumed as a vice versa relationship.

The sophisticated and extensive nature of the paper would add value to organization studies discipline by providing an important qualitative perception towards organizational culture and employee performance and would initiate further discussions to create an effective framework between organizational culture and its impact on performance.

5.3 Recommendations

It appears, based on the current and previously existing findings on culture in regard to organizational value, organisational climate, leadership styles and work process assessments, that there is much work to be done to create congruency between these variables and their evidence in daily practice within Wärtsilä coupled with the review of the literature, certain recommendations evolved from the findings of this study that may provide useful insight to the management of Wärtsilä. These recommendations include:

1. This study recommended that management ought to consistently measure and evaluate the satisfaction and commitment of employees, to reinforce ideal organisation values, and climate that will enhance and maintain high performance of from the employees.
2. There should be training for managers and employees on some principles that are important for effective productivity.
3. Employees should be effectively motivated, economic rewards must not be offered alone, but recognition and opportunities for realizing various individual goal and aspirations must be created.
5. Top management should create enabling environment and rules for both leaders and subordinates to carry out activities together as this will give all employee/members sense of belonging and hence increases their performance.
6. Utilize the collective themes found in this study as a framework of evaluating individual concepts by reviewing and developing plans to reduce the currently existing gaps striving towards overall performance.
7. Management of Wärtsilä should reflect on current ways of communicating and devise strategies to enhance effective communications across all levels of the organization, specifically the construction of messages aligning performance of employees and organisation values.

5.4 Areas for further research

This study focused on 4 objectives as discussed above, other proposed research should focus on 1. Other factors that affect employee performance as the studies factors only contribute 22 % of factors that affect employee performance, 2. More culture attributes and the effects it has to the employee and the organisations performance at large and 3. Other important variables like different types of culture and wider scope of the culture variables to determine their effect on employees' performance

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