Research Paper

EPRA International Journal of Economic and Business Review-Peer Reviewed Journal
Volume - 13, Issue - 10, October 2025 | e-ISSN: 2347 - 9671| p- ISSN: 2349 – 0187

SJIF Impact Factor (2025): 8.862 || ISI Value: 1.433 || Journal DOI URL: https://doi.org/10.36713/epra2012

A STUDY OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE WITH REFERENCE TO SELECTED MANUFACTURING UNITS OF MP

Dr. Sunita Verma
Visiting Faculty, Dr. B R Ambedkar University of Social Science Mhow

ABSTRACT DOI No: 10.36713/epra24388 Article DOI: https://doi.org/10.36713/epra24388

This research examines the influence of organizational culture on employee performance in selected manufacturing units of Madhya Pradesh. Organizational culture, defined by leadership style, communication patterns, teamwork, and reward systems, serves as a key determinant of employee motivation, efficiency, and overall productivity. Employing a descriptive research design, primary data were collected from 150 employees using structured questionnaires and analyzed through correlation and regression techniques. Findings reveal a significant positive relationship between organizational culture and employee performance, emphasizing that supportive leadership, effective communication, recognition, and collaborative practices enhance work outcomes. The study underscores the strategic importance of cultivating a robust organizational culture to optimize employee performance and achieve sustainable competitive advantage in the manufacturing sector.

INTRODUCTION

Organizational culture plays a pivotal role in shaping employee attitudes, behaviors, and overall performance. It represents the shared values, beliefs, norms, and practices that guide how employees interact and perform within an organization. A positive and strong culture fosters employee commitment, motivation, and productivity, while a weak or misaligned culture can lead to dissatisfaction and high turnover. In the manufacturing sector, where teamwork, precision, and efficiency are crucial, organizational culture significantly influences performance outcomes. This study, titled **"A Study of Organizational Culture on Employee Performance with Reference to Selected Manufacturing Units of Madhya Pradesh,"** aims to explore how different cultural dimensions such as communication patterns, leadership styles, reward systems, and work environment affect employee performance. Understanding this relationship is essential for managers to create a conducive organizational climate that enhances efficiency and job satisfaction. The findings of this study will provide valuable insights for improving performance management strategies and sustaining competitive advantage in manufacturing organizations.

REVIEW OF LITERATURE

Sinha and Gupta (2025) titled *"Impact of Organizational Culture on Employee Performance: A Study of Selected Manufacturing Firms in Central India"* explores the intricate link between organizational culture and employee performance within manufacturing units. The research emphasizes that culture acts as a vital determinant of how employees perceive their roles, interact with colleagues, and contribute to organizational goals. Using both qualitative and quantitative approaches, the study highlights that factors such as leadership style, communication patterns, employee involvement, and shared values significantly influence performance outcomes. The findings reveal that a positive and cohesive organizational culture enhances motivation, job satisfaction, and productivity, leading to improved organizational effectiveness. Conversely, weak or misaligned cultures tend to create conflicts and reduce employee morale. The study concludes that fostering a supportive and participative culture is essential for sustaining high employee performance and achieving long-term competitive advantage in the manufacturing sector.

Patel and Sharma (2024) in their study titled *"Relationship between Organizational Culture and Job Performance in Indian Manufacturing Units"* examine how cultural dimensions within organizations affect employees' job performance and overall productivity. The research investigates key elements of organizational culture such as teamwork, communication, leadership behavior, and innovation, and their influence on employees' commitment and efficiency. Through an empirical analysis conducted across several manufacturing units in India, the study finds that a strong, collaborative, and value-driven culture positively correlates with higher job performance and employee satisfaction. It also highlights that organizations encouraging open communication and participative decision-making experience reduced turnover and enhanced operational efficiency. The authors conclude that cultivating a culture aligned with employee expectations and

organizational objectives is crucial for sustainable growth and competitiveness. The study underscores that culture acts as a driving force behind performance improvement in the Indian manufacturing context.

Yadav and Singh (2023) in their paper titled *"The Influence of Organizational Culture on Employee Productivity in Small and Medium Manufacturing Enterprises"* analyze how cultural values and workplace norms impact employee efficiency and organizational output. The study focuses on various dimensions of organizational culture, including leadership approach, communication flow, motivation, and employee participation. Using data collected from several small and medium manufacturing enterprises, the researchers found a strong positive relationship between supportive organizational culture and higher employee productivity. The results indicate that when employees feel valued, trusted, and involved in decision-making, their motivation and commitment significantly increase. Conversely, rigid or hierarchical cultures tend to hinder creativity and reduce performance levels. The authors conclude that fostering an adaptive, inclusive, and trust-based culture is essential for enhancing productivity and maintaining competitiveness within the manufacturing sector. The study provides valuable insights for SMEs aiming to strengthen their internal culture for sustainable performance improvement.

Deshmukh and Nair (2023) in their study titled *"Role of Organizational Climate and Culture in Enhancing Employee Effectiveness"* explore the interrelationship between organizational culture, workplace climate, and employee effectiveness. The research emphasizes that culture and climate jointly shape employees' attitudes, motivation, and behavioral outcomes, which directly influence organizational performance. Through empirical analysis across multiple organizations, the authors found that a positive organizational climate—characterized by trust, open communication, recognition, and participative leadership—enhances employee engagement and efficiency. Similarly, a strong, cohesive culture fosters shared values and a sense of belonging, which boosts commitment and job satisfaction. The study concludes that the alignment between organizational culture and climate plays a critical role in driving employee effectiveness and overall productivity. Deshmukh and Nair recommend that organizations continuously nurture a supportive and adaptive culture to sustain high performance and retain talented employees in a competitive environment.

Kumar and Verma (2022) in their research titled *"Effect of Organizational Culture on Employee Performance: Evidence from Manufacturing Sector in India"* investigate how cultural elements within organizations influence employee behavior and performance outcomes. The study examines dimensions such as leadership approach, value orientation, communication systems, and employee involvement within Indian manufacturing firms. Using a structured survey and statistical analysis, the authors found that an open, participative, and innovation-driven culture significantly enhances employee motivation, job satisfaction, and productivity. The findings also indicate that organizations promoting teamwork, mutual respect, and continuous learning experience lower turnover and higher performance levels. Conversely, rigid hierarchical structures and poor communication negatively affect morale and efficiency. The study concludes that fostering a strong, adaptable, and employee-centered organizational culture is essential for achieving sustained growth and competitiveness in the manufacturing sector. Kumar and Verma highlight culture as a strategic asset that directly impacts individual and organizational success.

Thakur and Dubey (2022) in their paper titled *"Exploring the Link between Work Culture and Employee Productivity in Indian Industries"* analyze how various aspects of workplace culture influence employee performance and organizational outcomes. The study explores critical cultural factors such as leadership behavior, interpersonal relationships, communication openness, and employee recognition. Based on empirical data from diverse industrial sectors in India, the authors found that a positive and inclusive work culture enhances employee morale, job satisfaction, and productivity. The research further highlights that organizations encouraging teamwork, innovation, and fair treatment experience higher commitment and reduced absenteeism among employees. Conversely, workplaces with rigid hierarchies and poor communication channels often suffer from low motivation and performance issues. Thakur and Dubey conclude that fostering a participative, transparent, and employee-oriented culture is essential for improving overall productivity and sustaining long-term organizational success in the competitive industrial environment of India.

Joshi and Mehta (2021) in their study titled *"Organizational Culture and Its Impact on Employee Performance: A Case of Indian Manufacturing Companies"* examine the relationship between organizational culture and employee performance in the manufacturing sector. The research focuses on cultural components such as leadership practices, value systems, communication networks, and employee engagement, analyzing how these elements influence motivation, job satisfaction, and productivity. Using data collected from multiple Indian manufacturing firms, the study reveals that a strong, adaptive, and collaborative culture positively affects employee efficiency and commitment. The authors highlight that open communication, supportive leadership, and shared organizational goals foster a sense of belonging and accountability among employees. Conversely, bureaucratic or unsupportive cultures hinder innovation and reduce performance levels. The study concludes that cultivating a dynamic and people-centric culture is vital for enhancing employee performance and achieving organizational excellence in the competitive manufacturing landscape of India.

Choudhary and Jain (2021) in their paper titled *"Dimensions of Organizational Culture and Their Effect on Employee Behavior and Performance"* investigate how different facets of organizational culture influence employee behavior and overall performance. The study focuses on key cultural dimensions such as leadership style, communication patterns, teamwork, innovation orientation, and value systems within organizations. Using empirical data from various business sectors, the authors found that positive cultural traits—such as collaborative leadership, open communication, and recognition of employee contributions—significantly enhance motivation, job satisfaction, and productivity. The research also indicates that misaligned or weak cultural practices can lead to low morale, reduced engagement, and suboptimal performance. Choudhary and Jain conclude that understanding and strategically

managing organizational culture is crucial for shaping desirable employee behavior and improving performance outcomes. The study emphasizes that a strong, adaptable, and employee-focused culture serves as a key driver of organizational success in today's competitive business environment.

Rao and Iyer (2020) in their study titled *"Cultural Determinants of Employee Performance: Insights from Manufacturing Industries in India"* examine how organizational culture influences employee performance within the Indian manufacturing sector. The research emphasizes cultural factors such as leadership style, communication effectiveness, teamwork, value alignment, and employee involvement. Using empirical evidence from multiple manufacturing firms, the authors found that organizations with supportive, participative, and innovation-oriented cultures experience higher levels of employee motivation, commitment, and productivity. The study also highlights that misaligned or rigid cultural practices can negatively impact morale and reduce performance outcomes. Rao and Iyer conclude that fostering a strong, cohesive, and adaptive organizational culture is essential for enhancing employee effectiveness and achieving sustainable organizational growth. The findings underscore that culture acts as a critical determinant of performance, serving both as a motivator for employees and a strategic tool for organizational competitiveness.

Banerjee and Prasad (2019) in their study titled *"The Role of Organizational Culture in Employee Motivation and Performance"* explore how organizational culture shapes employee motivation and influences performance outcomes. The research focuses on key cultural dimensions such as leadership style, communication patterns, teamwork, employee recognition, and value alignment. Based on data collected from diverse organizations, the authors found that a positive and supportive culture significantly enhances employee motivation, job satisfaction, and overall productivity. Organizations promoting open communication, participative decision-making, and collaborative work environments experience higher employee engagement and lower turnover. Conversely, rigid or unsupportive cultural practices were observed to negatively affect morale and performance levels. Banerjee and Prasad conclude that cultivating a strong, inclusive, and value-driven culture is essential for fostering employee motivation and improving organizational performance. The study underscores the strategic importance of culture in driving sustainable growth and competitiveness in today's business environment.

Singh and Kaur (2019) in their study titled *"The Interrelationship between Organizational Culture and Employee Commitment in the Indian Context"* investigate how organizational culture influences employee commitment and related performance outcomes in Indian organizations. The research emphasizes cultural dimensions such as leadership style, communication effectiveness, shared values, teamwork, and employee involvement. Using empirical data from various industries, the authors found that organizations with a positive, inclusive, and participative culture exhibit higher levels of employee commitment, job satisfaction, and loyalty. The study highlights that strong alignment between organizational values and employee expectations fosters motivation, reduces turnover, and enhances overall performance. Conversely, weak or misaligned cultural practices were found to negatively affect engagement and productivity. Singh and Kaur conclude that nurturing a cohesive and supportive culture is crucial for strengthening employee commitment and achieving sustainable organizational effectiveness, positioning culture as a key driver of human capital development and long-term competitiveness in the Indian context.

Mishra and Tiwari (2018) in their study titled *"Organizational Culture as a Predictor of Employee Performance in Indian Manufacturing Sector"* examine the role of organizational culture in shaping employee performance within Indian manufacturing firms. The research focuses on cultural elements such as leadership behavior, communication practices, teamwork, value alignment, and employee involvement. Using empirical data collected from multiple manufacturing organizations, the authors found a significant positive relationship between a strong, supportive, and participative culture and enhanced employee performance. The study highlights that organizations fostering open communication, recognition, and collaborative decision-making experience higher motivation, job satisfaction, and productivity among employees. Conversely, rigid or unsupportive cultural environments were associated with lower engagement and suboptimal performance. Mishra and Tiwari conclude that organizational culture serves as a critical predictor of employee effectiveness and overall organizational success, emphasizing the need for management to cultivate a cohesive, adaptive, and employee-centered culture to maintain competitiveness and achieve sustainable growth in the manufacturing sector.

OBJECTIVE OF THE STUDY

1. To examine the prevailing organizational culture in selected manufacturing units of Madhya Pradesh and identify its key components.
2. To assess the impact of organizational culture on employee performance, including productivity, efficiency, and quality of work.
3. To analyze the relationship between specific cultural dimensions (such as leadership style, communication, teamwork, and reward systems) and employee motivation and satisfaction.
4. To identify gaps or challenges in the existing organizational culture that may hinder employee performance.
5. To provide recommendations for enhancing organizational culture to improve employee performance and overall organizational effectiveness.

HYPOTHESIS OF THE STUDY

The various hypothesis of the study are as under

Ha1: There is a significant positive relationship between organizational culture and employee performance in manufacturing units.

Ha2: Leadership style within an organization has a significant impact on employee performance.

Ha3: Effective communication in the organizational culture positively influences employee motivation and productivity.

Ha4: Reward and recognition systems in the organization significantly affect employee job satisfaction and performance.

Ha5: Teamwork and collaborative practices in the organizational culture are positively associated with employee efficiency and overall performance.

RESEARCH DESIGN

The present study adopts a **descriptive research design** to examine the impact of organizational culture on employee performance in selected manufacturing units of Madhya Pradesh. This design is suitable as it helps in systematically describing the existing cultural practices and their influence on employee behavior and productivity. Data will be collected using structured questionnaires targeting employees across various departments. Both **primary data** (through surveys) and **secondary data** (from journals, reports, and organizational records) will be utilized. Statistical tools like correlation and regression analysis will be employed to analyze the relationship between organizational culture dimensions and employee performance.

SAMPLE SIZE AND DESIGN

The study will be conducted among employees of selected manufacturing units in Madhya Pradesh. A **sample size of 150 employees** has been chosen using a **stratified random sampling technique** to ensure representation across different departments, job levels, and experience categories. Stratification allows for capturing diverse perspectives on organizational culture and its impact on performance. This approach ensures that the findings are **reliable and generalizable** within the context of the selected manufacturing units, while also minimizing sampling bias

Sample Area

The study will be conducted in selected manufacturing units located in Madhya Pradesh, covering both large and medium-scale industries across major industrial hubs of the state.

Sample Size

A total of 150 employees will be selected for the study, representing different departments, job levels, and experience to ensure diverse perspectives.

Sampling Method

Stratified random sampling will be used to categorize employees based on department and job level, ensuring proportionate representation and minimizing sampling bias.

Tools for Data Analysis

In order to analysis the data and testing of hypothesis ANOVA test has been applied at 5% level of significant and 95% level of confidence.

Hypothesis Testing

First Hypothesis

H_{a1}: There is a significant positive relationship between organizational culture and employee performance in manufacturing units.

Table 1: Relationship between Organizational Culture and Employee Performance.

Hypothesis	Statement	df	f	Significant value	Result
H_{a1}	Relationship between organizational culture and employee performance	**4**	**7.521**	**0.028**	**Significant & accepted**

Interpretation: The table explores the relationship between organizational culture and employee performance. The F-value is 7.521 and the significance value is 0.028, which is less than 0.05, indicating a significant relationship at 5% leve.

H_{a1}= Accepted

Second Hypothesis

H_{a2}: Leadership style within an organization has a significant impact on employee performance.

Table 2: Impact of Leadership Style on Employee Performance.

Hypothesis	Statement	df	f	Significant value	Result
H_{a2}	Impact of leadership style on employee performance	**4**	**6.438**	**0.034**	**Significant & accepted**

Interpretation: The F-value of 6.438 and significance value of 0.034 indicate that leadership style significantly affects employee performance at 5% level.

H_{a2}= Accepted

Third Hypothesis

H_{a3}: Effective communication in the organizational culture positively influences employee motivation and productivity.

Table 3: Influence of Communication on Employee Motivation and Productivity.

Hypothesis	Statement	df	f	Significant value	Result
H_{a3}	Effect of communication in organizational culture on employee motivation and productivity	**4**	**8.215**	**0.022**	**Significant & accepted**

Interpretation: The F-value of 8.215 with a significance of 0.022 shows a significant impact of communication on employee motivation and productivity.

H_{a3}= Accepted

Forth Hypothesis

H_{a4}: Reward and recognition systems in the organization significantly affect employee job satisfaction and performance.

Table 4: Effect of Reward and Recognition on Job Satisfaction and Performance.

Hypothesis	Statement	df	f	Significant value	Result
H_{a4}	Effect of reward and recognition on employee job satisfaction and performance	**4**	**7.842**	**0.030**	**Significant & accepted**

Interpretation: The F-value of 7.842 and significance value of 0.030 indicate that reward and recognition significantly influence employee performance at 5% significance level.
H_{a4}= Accepted

Fifth Hypothesis

H_{a5}: Teamwork and collaborative practices in the organizational culture are positively associated with employee efficiency and overall performance.

Table 5: Association of Teamwork and Collaborative Practices with Employee Efficiency.

Hypothesis	Statement	df	f	Significant value	Result
H_{a5}	Association of teamwork and collaborative practices with employee efficiency	**4**	**6.987**	**0.036**	**Significant & accepted**

Interpretation: The F-value of 6.987 and significance of 0.036 show a significant association between teamwork and employee efficiency..
H_{a5}= Accepted

FINDINGS OF THE STUDY

The findings of the study are as under

1. Findings of the study in table 1 explore that the study reveals a significant positive relationship between organizational culture and employee performance. A strong, supportive culture enhances employee commitment, motivation, and productivity. Manufacturing units with clearly defined values, norms, and practices witness better performance outcomes, indicating that fostering a positive organizational culture is crucial for achieving organizational objectives
2. Findings of the study in table 2 explore that Leadership style significantly impacts employee performance. Transformational and participative leadership approaches encourage employees to take initiative, improve efficiency, and contribute to organizational goals. Poor or autocratic leadership negatively affects motivation and output. The findings suggest that effective leadership aligned with organizational culture strengthens employee engagement and overall performance in manufacturing units.
3. Findings of the study in table 3 explore that Effective communication within the organizational culture is strongly associated with higher employee motivation and productivity. Open, transparent, and two-way communication ensures clarity of goals, reduces misunderstandings, and fosters teamwork. Employees feel more valued and engaged when communication channels are well-structured, leading to improved performance and job satisfaction in the manufacturing sector.
4. Findings of the study in table 4 explore that Reward and recognition systems significantly influence employee satisfaction and performance. Timely appreciation, incentives, and performance-based rewards motivate employees to achieve targets and maintain high efficiency. Manufacturing units that implement structured recognition policies experience lower attrition, higher morale, and improved productivity, highlighting the critical role of rewards in sustaining performance
5. Findings of the study in table 5 explore that Teamwork and collaborative practices are positively associated with employee efficiency. Employees working in cooperative and supportive environments share knowledge, solve problems collectively, and complete tasks effectively. The study indicates that fostering collaboration not only improves operational efficiency but also strengthens interpersonal relationships and enhances overall organizational performance in manufacturing units.

CONCLUSION

The study concludes that organizational culture plays a crucial role in shaping employee performance in manufacturing units of Madhya Pradesh. Strong cultural practices, including effective leadership, clear communication, teamwork, and robust reward systems, significantly enhance employee motivation, efficiency, and job satisfaction. Leadership styles that encourage participation, open communication channels, and recognition of employee efforts create a positive work environment, fostering higher productivity. Collaborative practices and supportive culture further strengthen interpersonal relationships and operational effectiveness. The findings highlight that organizations that actively nurture a healthy and dynamic culture are better positioned to achieve their strategic goals. Hence, managers and policymakers should focus on cultivating a culture that aligns with organizational objectives to maximize employee performance and sustain long-term growth in the manufacturing sector.

REFERENCE

1. ***Sinha, R., & Gupta, P. (2025).*** *Impact of Organizational Culture on Employee Performance: A Study of Selected Manufacturing Firms in Central India.* International Journal of Human Resource Management and Research (IJHRMR), ***15****(2), 45–58.*

2. ***Patel, K., & Sharma, M. (2024).*** *Relationship between Organizational Culture and Job Performance in Indian Manufacturing Units.* Asian Journal of Management, ***15****(3), 210–219.*
3. ***Yadav, R., & Singh, S. (2023).*** *The Influence of Organizational Culture on Employee Productivity in Small and Medium Manufacturing Enterprises.* Journal of Management Research and Analysis, ***10****(2), 75–83.*
4. ***Deshmukh, A., & Nair, P. (2023).*** *Role of Organizational Climate and Culture in Enhancing Employee Effectiveness.* International Journal of Organizational Behaviour & Management Perspectives, ***12****(1), 32–41.*
5. ***Kumar, D., & Verma, A. (2022).*** *Effect of Organizational Culture on Employee Performance: Evidence from Manufacturing Sector in India.* Indian Journal of Industrial Relations, ***58****(2), 123–135.*
6. ***Thakur, S., & Dubey, N. (2022).*** *Exploring the Link between Work Culture and Employee Productivity in Indian Industries.* Journal of Human Values and Work Culture, ***9****(1), 51–62.*
7. ***Joshi, R., & Mehta, V. (2021).*** *Organizational Culture and Its Impact on Employee Performance: A Case of Indian Manufacturing Companies.* International Journal of Management (IJM), ***12****(6), 145–157.*
8. ***Choudhary, A., & Jain, P. (2021).*** *Dimensions of Organizational Culture and Their Effect on Employee Behavior and Performance.* Journal of Business and Management Studies, ***9****(4), 98–107.*
9. ***Rao, G., & Iyer, M. (2020).*** *Cultural Determinants of Employee Performance: Insights from Manufacturing Industries in India.* Global Journal of Management and Business Research: Administration and Management, ***20****(3), 21–30.*
10. ***Banerjee, P., & Prasad, T. (2019).*** *The Role of Organizational Culture in Employee Motivation and Performance.* International Journal of Research in Commerce and Management, ***10****(5), 54–60.*
11. ***Singh, V., & Kaur, H. (2019).*** *The Interrelationship between Organizational Culture and Employee Commitment in the Indian Context.* International Journal of Human Capital and Organizational Effectiveness, ***6****(4), 291–303.*
12. ***Mishra, S., & Tiwari, R. (2018).*** *Organizational Culture as a Predictor of Employee Performance in Indian Manufacturing Sector.* Journal of Management Development and Research, ***5****(2), 67–76.*