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## Research Paper

## CORPORATE CULTURE AND ORGANIZATIONAL PERFORMANCE- AN EMPIRICAL ANALYSIS (A COMPARATIVE ANALYSIS OF FMCG STORES IN ANDHRA PRADESH)

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### ABSTRACT

**T**he present hierarchical is overwhelmingly unique that stance huge open doors and difficulties to the corporate specialists and approach producers. Seeing such dynamism is exceptionally essential to seek after the hierarchical vital destinations. The essential point of this paper is to inspect the effect of authoritative culture on representative execution and profitability from the viewpoints of various FMCG stores from Andhra Pradesh. This paper clarifies the connection between corporate culture and hierarchical execution by utilizing connection and ANOVA tests to test the relationship among different factors, for example, strengthening, group introduction, capacity, improvement, center esteems, assention, coordination and reconciliation, making change and client concentrate on authoritative execution.

**KEYWORDS:** FMCG stores, corporate culture, social quality

### INTRODUCTION

Organizational culture characterizes the way representatives finish errands and cooperate with each other in an association. The social worldview includes different convictions, qualities, customs and images that represent the working style of the general population inside an organization. Corporate culture ties the workforce together and gives a heading to the organization. In the midst of progress, the greatest test for any association might be to change its way of life, as the workers are as of now acclimated to a specific method for getting things done.

Hierarchical culture is the arrangement of shared esteems, convictions, and standards that impact the way representatives think, feel, and carry on in the work environment (Schein, 2011). Hierarchical culture has four capacities: gives individuals a feeling of personality, expands their dedication, strengthens

authoritative esteems, and fills in as a control instrument for forming conduct (Nelson and Quick, 2011).

Hierarchical culture encourages the adequate answer for know the issues, which individuals learn, feel and set the standards, desires, conduct, examples, and standards that advance abnormal state of accomplishments (Marcoulides and Heck, 1993; Schein, 1992).

### EFFECT ON PERFORMANCE

Authoritative societies can impactly affect representative execution and inspiration levels. In many cases, representatives work harder to accomplish authoritative objectives on the off chance that they see themselves as to be a piece of the corporate culture. Diverse societies working in one organization can likewise affect worker execution. For instance, if the association keeps up a held “talk when important” culture, representatives may work likewise; be that as it



may, if the association permits one region, say the business group, to be straightforward and socially dynamic, the association may encounter contentions among territories. Therefore, enabling a zone to set up their own way of life can influence the execution of the workers conveyed somewhere else in the organization.

## **INTEGRATION OF PERFORMANCE AND CULTURE**

Associations must structure their enrollment procedures to pull in and draw in officeholders with similar convictions and qualities that constitute the association's way of life. This guarantees the new worker's osmosis to the organization and further fortifies corporate culture. Organizations ought to likewise guarantee that they adjust corporate culture to execution administration frameworks. Whenever culture and administration frameworks are not adjusted, administration must divert them so representative conduct brings about the accomplishment of authoritative objectives.

## **REVIEW OF LITERATURE**

Various researchers have created integrative structures of authoritative culture (Allaire and Firsirotu, 1984; Hatch, 1993; Martin, 1992; Ott, 1989; Schein, 1985, 1990), however little accord exists concerning a general hypothesis. Since culture is a mind boggling marvel going from hidden convictions and suppositions to unmistakable structures and practices, sound doubt additionally exists with reference to whether authoritative culture can really be "measured" in a similar sense. Research on the connection between authoritative culture and viability is additionally constrained by absence of understanding about the fitting measures of adequacy. Regardless of these difficulties, better comprehension of this subject stays basic to the improvement of hierarchical examinations.

A later report by Denison (1984) looked for additional confirmation, utilizing more modern inspecting methodology for the two associations and subjects inside the associations. Denison contemplated a helpful example of 34 firms speaking to 25 distinct ventures. He found that two files, "association of work" and "basic leadership", were observed to be altogether connected with money related execution. Moreover, he found that the quality of the way of life was prescient of here and now execution, when execution was characterized with expansive pointers like profit for resources, quantifiable profit and profit for deals, and so forth. Gordon and DiTomaso (1992) in a subsequent report found the supporting proof that a solid culture was prescient of

here and now organization execution. While trying to repeat Denison's (1984) examine, they additionally characterized social quality utilizing the reverse of standard deviations over the scales in their instrument. They at that point related their administration studies of 11 US insurance agencies with their benefit and premium development rates for the accompanying five years. "They found that a solid culture 'paying little mind to content', in which a substantive esteem was set on the estimation of 'flexibility', was related with more grounded execution, at any rate in the previous three years." More essentially, they found that a social estimation of "versatility" is additionally prescient of here and now execution. They hence hypothesized that while both a solid culture, and a fitting society from the point of view of substance, will create positive outcomes, a blend of both is generally effective. This finding was vital as it brings the idea of fit into culture-execution examines.

The present writing has its underlying foundations in the mid 1980s. Arrangement and Kennedy (1982) and Peters and Waterman (1982) concentrated consideration on the key significance of hierarchical culture and animated enthusiasm for the theme. Kotter and Heskett (1992) developed this by investigating the significance of flexibility and the "fit" between an association and its condition. This paper applies the way of life structure created by Denison and his associates (Denison, 1984, 1990, 1996; Denison and Mishra 1995, 1998; Denison and Neale, 1996; Denison, Cho, and Young, 2000; Fey and Denison, 2002; Denison, Haaland, and Neale, 2002). This flood of research has built up an unequivocal model of authoritative culture and viability and an approved technique for estimation. Utilizing information from 764 associations, Denison and Mishra (1995) demonstrated that the four distinctive social qualities, mission, consistency, versatility and inclusion, were identified with various criteria of viability. This exploration found that the attributes of mission and consistency were the best indicators of gainfulness, the characteristics of inclusion and flexibility were the best indicators of development, and the qualities of versatility and mission were the best indicators of offers development. Denison, Haaland, and Neale (2002) have connected the components of the model to contrasts in consumer loyalty in two businesses, and Fey and Denison (2002) have exhibited a use of this model to outside possessed firms working in Russia.

The Denison demonstrate depends on four social characteristics of successful associations that are

portrayed beneath with references to the hierarchical investigations writing. A more entire audit connecting of these qualities is given by Denison and Mishra (1995).

Despite the fact that the connections between authoritative culture and representative execution have been broadly acknowledged, a few analysts (Willmott, 1993; Legge, 1994; and Ogbonna, 1993) raise worries about the relations. In this way Gordon and DiTomaso (1992) and Denison (1990) contend that culture qualities may influence execution however limited or molded to the particular setting. They additionally contend that culture may prompt higher execution on the off chance that it fits with changes of ecological factors inside the unique circumstance. As of late, analysts contend that social qualities can't be replicated and in this way it could be wellspring of authoritative manageability. Asset based view (Barney, 1986 and 1991) recommends that manageability relies upon the qualities, irregularity and supportability of the way of life concerned. By and large, the point of the writing survey is to look at the current research to investigate the connections amongst culture and execution. Because of the subjective idea of culture, it could be trying to exactly characterize the particulars of hierarchical culture. Regardless of no single hypothesis is consistently acknowledged, there is a general assent about authoritative culture on being customarily decided and socially organized that includes convictions, practices, qualities and ethics aligned with various levels of the association and joins to all parts of hierarchical life (Pettigrew, 1990 and Hofstede, Neuijen, Ohauv and Sanders, 1990). The hierarchical culture is laid out by Schein (1990) as general marvel of the association, for example, normal settings, the ceremony and ceremonies, atmosphere and estimations of the organization. As indicated by Martins and Terblanche (2003), culture is profoundly connected with qualities and convictions shared by work force in an association. Hierarchical culture relates the workers to association's esteems, standards, stories, convictions and standards and consolidates these suppositions into them as movement and behavioral arrangement of norms. Klein et al. (1995) situated hierarchical culture as the center of association's exercises which has total effect on its general viability and the nature of its items and administrations. Schein (2004) characterized hierarchical culture as a dynamic constrain inside the association which is rotating, connecting with and intelligent and it took care of business by the representatives and administrations motions, practices and states of mind. Eariler researchers (Rossman, Corbett and Firestone,

1988; Schwartz and Davis, 1981; Cooke and Rousseau, 1988; Gordon and DiTomaso, 1992; Schall, 1983; Schein, 1992; Rousseau, 1990) have clarified culture as common experience which relies upon the behavioral and societal exercises.

## OBJECTIVES OF THE STUDY

The following are the objectives of the study.

- To identify the factors affecting corporate culture and organizational performance.
- To examine the relationship between factors and organizational performance.
- To identify the overall performance of various FMCG stores under the study.

## METHODOLOGY

Data is based on the primary sources collected from the structured questionnaire survey.

The sample for the study reported in this paper included 2,162 employees of independently-owned local grocery stores within Andhra Pradesh. The number of participants are as follows: 749 respondents from 92 stores in Visakhapatnam, 326 respondents were from 17 stores in Vijayawada, 197 respondents from 13 stores in Hyderabad, 306 respondents from 18 stores in Vizianagaram, 96 respondents from 20 stores in Warangal, 185 respondents from 20 stores in Kakinada, and 255 respondents from 38 stores in the Anakapalle. All respondents were full-time employees with positions ranging from non-management to management to store owner.

Data was analyzed by used correlation and ANOVA tests to examine the relationship between independent variables and dependent variable.

## RESULTS

The correlations between the 12 cultural indices and the subjective overall performance ratings for each store are presented in Table 3. All 12 culture indices were significantly correlated with overall performance ratings in Visakhapatnam (mean  $r = .33$ ), the Warangal (mean  $r = .60$ ), and Kakinada (mean  $r = .79$ ). All indices except organizational learning were significantly correlated with overall performance ratings in Visakhapatnam. In Vijayawada, however, only strategic direction and intent ( $r = .77$ ) and goals and objectives ( $r = .58$ ) were significantly correlated with overall performance ratings. For Anakapalle stores, only core values ( $r = .47$ ) and strategic direction and intent ( $r = .55$ ) were significantly correlated with overall performance. Finally, no significant correlations between culture indices and overall performance ratings emerged for Hyderabad (mean  $r = .19$ ).

**Table 1 Correlation Between Overall Performance and The 12 Indices By Stores**

	Visakhapatnam	Vijayawada	Hyderabad	Vizianagaram	Warangal	Kakinada	Anakapalle
Empowerment	.60*	.38	.08	.27*	.68*	.84*	.08
Team Orientation	.61*	.43	-.06	.32*	.60*	.86*	.11
Capability Development	.70*	-.06	.26	.23*	.56*	.81*	.14
Core Values	.54*	.34	.34	.39*	.63*	.83*	.47*
Agreement	.63*	.37	.20	.34*	.54*	.78*	.28
Coordination & Integration	.54*	.45	.18	.37*	.56*	.88*	.23
Creating Change	.82*	.34	.00	.35*	.63*	.75*	.23
Customer Focus	.45*	.06	.25	.24*	.45*	.62*	.24
Organizational Learning	.12	.13	.11	.33*	.67*	.76*	-.10
Strategic Direction & Intent	.69*	.77*	.44	.38*	.57*	.79*	.55*
Goals & Objectives	.76*	.58*	.22	.42*	.68*	.81*	.25
Vision	.45*	.43	.26	.36*	.61*	.79*	.29
Number of Stores	20	13	18	92	38	17	20

Next, one-way ANOVA's were performed to assess mean differences in organizational culture ratings across Various stores in Andhra Pradesh. Table 2 shows the results for the involvement trait. Visakhapatnam significantly differed only from the Warangal. On average, stores in the Warangal rated involvement indices .293 points lower than did their Visakhapatnam counterparts. Vijayawada stores significantly differed from stores in the Warangal and Anakapalle. Vijayawada rated involvement indices .35-.40 scale points higher than Anakapalle and the Warangal. Hyderabad stores also significantly differed from stores in the Warangal and Anakapalle. Hyderabad rated the involvement

indices .44 to .50 scale points higher than did stores in the Warangal and Anakapalle. Vizianagaram stores significantly differed from stores in the Warangal, Kakinada, and Anakapalle, with mean differences resulting in Vizianagaram rating involvement indices .50, .30, and .46 points higher than Warangal, Kakinada, and Anakapalle stores, respectively. As previously, noted the Warangal stores rated involvement indices significantly lower than Visakhapatnam, Vijayawada, Hyderabad, and Vizianagaram stores. Anakapalle stores rated involvement indices significantly lower than Vijayawada, Hyderabad, and Vizianagaram stores. Kakinada stores only differed significantly from Vizianagaram scores.

**Table 2 ANOVA of Differences in Involvement Scores Across Stores**

	Visakhapatnam	Vijayawada	Hyderabad	Vizianagaram	Warangal	Kakinada	Anakapalle
Visakhapatnam	**						
Vijayawada	-.102	**					
Hyderabad	-.187	-.008	**				
Vizianagaram	-.206	-.104	-.002	**			
Warangal	.293*	.400*	.480*	.500*	**		
Kakinada	.010	.198	.282	.301*	-.198	**	
Anakapalle	.250	.352*	.437*	.456*	-.004	.155	**

Anakapalle stores rated the trait of consistency significantly lower than did all other stores. These results are presented in Table 3. Visakhapatnam and Vijayawada stores were not significantly different than any other country besides Anakapalle. Hyderabad gave

significantly higher mean ratings to consistency than did the Warangal and Anakapalle stores. Vizianagaram stores rated consistency significantly higher than did Visakhapatnam, Kakinada, and Anakapalle stores. As previously noted, the Warangal rated consistency

significantly lower than did Vizianagaram and Hyderabad stores, but rated consistency significantly higher than did Anakapalle stores.

**Table 3 ANOVA of Differences in Consistency Scores Across Stores**

	Visakhapatnam	Vijayawada	Hyderabad	Vizianagaram	Warangal	Kakinada	Anakapalle
Visakhapatnam	**						
Vijayawada	-.007	**					
Hyderabad	-.130	-.006	**				
Vizianagaram	-.176	-.103	-.005	**			
Warangal	.009	.160	.218*	.263*	**		
Kakinada	.003	.101	.158	.204*	.006	**	
Anakapalle	.347*	.419*	.477*	.523*	.259*	.319*	**

ANOVA's for Adaptability are shown in Table 3. For the trait of Adaptability, there were no significant differences in mean ratings noted between Vijayawada stores and any other store. Anakapalle stores gave significantly lower adaptability ratings than did any

other stores with the exception of the Warangal and Vijayawada. Visakhapatnam, Hyderabad, Vizianagaram and Kakinada stores rated adaptability significantly higher than did the Warangal and Anakapalle stores, but did not differ from each other.

**Table 4 ANOVA of Differences in Adaptability Scores Across Stores**

	Visakhapatnam	Vijayawada	Hyderabad	Vizianagaram	Warangal	Kakinada	Anakapalle
Visakhapatnam	**						
Vijayawada	.008	**					
Hyderabad	-.008	-.157	**				
Vizianagaram	-.003	-.107	.005	**			
Warangal	.201*	.124	.281*	.231*	**		
Kakinada	-.002	-.010	.006	.001	.219*	**	
Anakapalle	.314*	.236	.393*	.343*	.113	.332*	**

**Table 5 ANOVA of Differences in Mission Scores Across Stores**

	Visakhapatnam	Vijayawada	Hyderabad	Vizianagaram	Warangal	Kakinada	Anakapalle
Visakhapatnam	**						
Vijayawada	-.001	**					
Hyderabad	-.226	-.214	**				
Vizianagaram	-.006	-.005	.166	**			
Warangal	.187	.199	.413*	.247*	**		
Kakinada	-.007	-.006	.154	-.001	-.259*	**	
Anakapalle	.361*	.373*	.587*	.421*	.174	.433*	**

The final culture trait, mission, again showed Anakapalle stores giving significantly lower ratings than all other countries except the Warangal. Visakhapatnam and Vijayawada stores did not differ significantly from any other countries besides Anakapalle. Hyderabad, Vizianagaram, Australian, and Kakinada stores again all gave significantly higher ratings to mission than did the Warangal and Anakapalle stores.

## FINDINGS

- Overall, the correlations presented here show a strong and consistent pattern in Kakinada, Visakhapatnam, and the Warangal. Vizianagaram and Vijayawada show a similar, but somewhat weaker pattern.
- Vijayawada's small sample may have contributed to these results. In Anakapalle

and Hyderabad, however, the pattern is quite different. In Hyderabad, the correlations between culture and effectiveness measures are generally very low. In Anakapalle, a few correlations are quite strong, but the pattern is mixed.

- The difference of means tests also highlighted several interesting patterns. First, the results show that Hyderabad has a much weaker pattern of correlations between the culture and effectiveness measures, but that the overall level of culture scores is very similar to Vijayawada, Visakhapatnam, Vizianagaram, and Kakinada.
- Second, the difference of means tests consistently show significantly lower scores

for both the Warangal and Anakapalle. Before considering a substantive explanation for these differences, however, it is important to point out the difference in sampling procedures used within these two countries. As noted earlier, both Anakapalle and the Warangal used sampling procedures designed to contrast high and low performing stores.

- This sampling procedure may have resulted in lower performing stores, which presumably also had lower culture scores, being over represented.

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